



**Report of the United States Delegation to the  
Fifth Bilateral (U.S./Cuba) and Second International  
Research Exchange among  
Labor Lawyers, Trade Unionists and Scholars in  
Cuba, March 14 through 20, 2004**



**Co-Sponsored by the National Lawyers Guild  
Labor and Employment Committee  
and the Central de Trabajadores de Cuba (CTC)**

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## **I. Introduction**

**By Joan Hill, Dean Hubbard and Hon. Roy Roulhac**

The fifth bilateral and second international research exchange between labor and employment lawyers, trade union leaders and scholars of the United States, Cuba and the United Kingdom took place from March 14 through 20, 2004 in Havana, Varadero and Matanzas, Cuba. Our work occurred in the context of new efforts by the Administration of George W. Bush to restrict travel to Cuba by U.S. citizens, as part of the longstanding (and singularly unsuccessful) strategy of the U.S. government to impose regime change on the tiny socialist nation, without regard for the desires of its residents. As advocates and scholars of workers' rights in a global economy increasingly integrated by neoliberal economic principles, the participants root their research in the struggle to build transnational workers' solidarity. Toward that end, the continuing theme of this joint project of the National Lawyers Guild of the United States, the Central de Trabajadores de Cuba (CTC), and now, the Institute for Employment Rights of the U.K., is to engage in an open exchange of ideas, information and views for the purpose of increasing mutual understanding and respect. We have found through our work over the years that genuine solidarity between workers' advocates of different nations, cultures and economic systems is not built through uncritical propagandizing, but through principled, honest, sometimes painful but always respectful dialogue. The participants' work during the 2004 research exchange was carried out in that spirit.

Logistically, we accomplished our research through two days of intensive orientation on relevant legal and policy issues, followed by six days of interviews of workers, union officials, and management personnel at work sites.

In reading the report, it may be helpful to keep in mind the analysis of Debra Evenson, an attorney practicing in Cuba and the United States who is the former President of the National Lawyers Guild and the Latin American Institute for Legal Services, and is the author of *Workers in Cuba, Unions and Labor Relations* (NLG/Maurice and Jane Sugar Law Center for Economic and Social Justice, 2002). According to Evenson, one cannot begin to understand labor policy and labor relations in Cuba without a keen awareness of Cuba's economic and political systems. This includes examining the close but complicated relationship between the CTC (the central organization of Cuba's nineteen national trade unions) and the Communist Party of Cuba. A superficial analysis of this relationship sometimes leads outsiders to dismiss Cuba's trade unions as "company unions." Such a facile and close-minded approach fatally limits exploration of the complexity of labor rights in the Cuban society, by assuming that labor organizations in such a system cannot give independent voice to workers' interests. Through this report, we intend to continue to explore the issue of workers' rights in Cuba in all its complexity, without resorting to such misleading oversimplification.

## **Orientation**

To begin the bilateral orientation for our field research, the delegation received a report from Dr. Juan Triana Crdoví, Director of the Center for Studies of the Cuban Economy. Dr. Crdoví outlined some of the deep economic, social, cultural and political transformations Cuba has endured, beginning with Christopher Columbus' exploration, through the period of independence

from Spain and Revolution, and more recently through the fall of the Socialist bloc and the pressures of neoliberal globalization. Dr. Crdoví noted that despite these challenges, Cuba has always weathered the economic hard times.

Dr. Crdoví focused on the pressure exerted by the United States to isolate the island and how that isolation and the pressures of globalization have profoundly changed Cuban society. He presented a general overview of economic issues, noting Cuba's diversification from an agricultural economy. Dr. Crdoví noted that the service sector accounts for more than 50% of its gross national product, whereas before 1999 its GNP was almost entirely derived from sugar exports. Today the driving forces of Cuba's economic growth include tourism, nickel and energy production. Although Cuba's work force is highly skilled, it suffers from the lack of cutting edge technology, the absence of which is Dr. Crdoví attributes, in part, to the U.S. blockade of the island. Cuba now seeks to strengthen its social and economic systems by concentrating on "human improvement" through improved education and health, and the elimination of inequality that has emerged since the onset of the "Special Period" that followed the collapse of the East European socialist bloc. Humans; not sugar, energy or beaches, are the future of Cuba, according to Dr. Crdoví. He asserted that the greatest asset that Cuba has to market in the global economy is its highly educated, skilled work force

The next orientation panel addressed "The Role of Unions in Labor and Society." Comments by U.S. delegate Lisa Brodyaga addressed the issue of immigrant workers in the U.S. as an "engine of economic success." Cuban attorney Georgina Cambet addressed measures that Cuba adopted to address social and economic problems that arose during the "Special Period."



Student Delegates from Sarah Lawrence College Participate in Orientation

Photo by Libby Sinback

These included (1) Constitutional reform in 1992 to allow joint enterprises with foreign investment; (2) Legalization of the U.S. dollar to obtain currency needed to purchase foreign

goods; and (3) Legislative enactments for workers, including the 1994 enactment of Resolution 6 that addressed unemployment benefits and the relocation of laid off workers.

The orientation program continued with a series of panels reporting the results of independent research on legal issues facing trade unionists. A panel of lawyers discussed “The Judicial Guarantee for the Preservation of Labor Rights and Solidarity Among Workers,” followed by a panel on “Labor Justice.” The latter panel included an explanation by Cuban attorney Ivet Ramirez of the Organs of Labor Justice, a process for resolving grievances that is analogous to the grievance procedure in most unionized workplaces in the United States. In discharge cases, appeals from the organs of justice may be made to the municipal court systems and to the Peoples Supreme Court.

In order to ensure that our research addressed the impact on the Cuban workforce of a world economy integrated under a neoliberal model, the orientation continued for a second day with a series of panels on global labor issues that were led by participants from Cuba, the U.S. and the U.K.



Orientation Panel led by NLG L&E Co-Chair Dean Hubbard  
(l. to r.: Wade Rathke of ACORN/SEIU, Prof. Roger Seifert from the U.K.,  
Prof. Ray Seidelman of Sarah Lawrence College, Prof. Hubbard, Raúl Hodelín  
of CTC Executive Board, Manuel Montero of CTC International Relations Dept.)

Photo by Libby Sinback

## **II. Field Research**

In 1999, the originators of the bilateral research exchange (Dean Hubbard of the U.S. and Guillermo Ferriol of Cuba) agreed that, while professional meetings provide essential threshold context, informal field visits with rank and file Cuban workers (as well as local union leaders, labor lawyers, judges and community leaders) are equally important for U.S. researchers to gain deeper insight into the day-to-day lives of Cuban workers, who labor in a political and economic system that presents strong contrasts to that of the U.S. Thus, field visits to workplaces, union halls and local government offices have been an essential component of the NLG/CTC exchanges since their inception. In 2004, the triad of useful orientation panels, veteran delegates building on insights gleaned through previous field visits, and sophisticated, quizzical newcomers, resulted in dialogue which was in most cases highly informative and in at least one case, truly inspirational.

It should go without saying that orientation meetings conducted in a setting of professional exchange are a critical predicate to well-informed field research. This insight is apparently lost on the Bush Administration, however. Effective June 30, 2004, as part of its continuing efforts to prevent U.S. citizens from exercising their right to travel, the Administration implemented regulations that seek to prevent professionals who travel to Cuba to engage in academic research from participating in professional meetings and conferences.

The reader should bear in mind that the impressions reported here are based on brief visits, not a comprehensive investigation. Nevertheless, several of the delegates have now visited Cuba to research working conditions and workers' rights annually over a five year period, have had the opportunity to interview workers in a wide variety of sectors and enterprises, and are now developing a level of familiarity with Cuban labor policy which approaches expertise. This report should be read in the context of the previous NLG delegation reports, which are available upon request from delegation coordinator Dean Hubbard, [dhubbard@slc.edu](mailto:dhubbard@slc.edu). The 2002 report is available on line at [http://www.nlg.org/programs/labor\\_employment.htm](http://www.nlg.org/programs/labor_employment.htm).



Photo by Robert Curley

SNTT officers at Establishment No. 12

**A. Visit to Establishment #12**  
**Sindicato Nacional de Trabajadores de Transporte**  
**Havana**  
**By Robert Curley and Sharon Seidenstein**

The delegation visited Unidad Basica #21 de Taxis, an enterprise that provides funeral and related taxi services. We learned that when a Cuban dies, the government provides drivers to transport the deceased's relatives to the funeral hall, the cemetery and back home. (We did not determine on this visit whether this service is provided to all Cuban citizens. Nor did we learn what if any fee is charged for the service.) The enterprise also operates a small parataxi service. The Havana unit employs two hundred and sixty-five employees: one-hundred and fifty drivers supported by one-hundred and fifteen additional support employees, who include mechanics, clerks, administrators, controllers, warehouse employees and services workers, and cooks. The Transport Workers Union (TWU) represents the entire workforce. Nationally, the TWU represents approximately 35,000 workers, including the eight to ten percent of the transportation workforce employed as administrators.

The vast majority of the workforce at Unidad Basica #21 is male. Only twelve, or less than ten percent, of the one hundred and fifty drivers, are women. (This ratio is similar to male/female ratios for taxi drivers in many U.S. cities.) Unlike the older and very senior male drivers, the female drivers are relatively young and were recently hired. In response to delegate questions, a driver explained that taxi driving has traditionally been a male-dominated career, arguing that women face difficulties driving at night. Approximately forty other women work in non-driver classifications.

Employees are expected to adhere to professional standards. Schools filter and refer qualified candidates. Though unit #21 has a stable labor force, the enterprise has a training center for new drivers, which all new drivers are required to complete. Employees from other units may come to the driver's school for training courses. The drivers denied that nepotism exists and asserted instead that it is very rare in Cuba to find a son seeking a position held by his parents. The availability of universal higher education provides the younger generation with greater workplace opportunities, according to the drivers.

A board of directors runs the facility. The board consists of a head of traffic, a technical advisor, an economist, a representative of the enterprise, the secretary general of the local trade union, the secretary general of small units, the secretary general of the Communist Party for the facility, and the president of the organ of labor justice.

For the past seven years, the establishment has been declared a national vanguard unit in the field of transportation. It earned the title in part by making large donations to fund cancer research and treatment. Recently, members of the Transport Workers Union throughout the country donated \$35,000 USD to cancer prevention.

An employee's salary depends on his or her years of service and job classification. Most employees at unit #21 are senior employees. The average driver earns 232 pesos per month, but salaries throughout the enterprise range from 198 to 310 pesos per month. (At the time of our visit, the market exchange rate was approximately 24 pesos to the dollar.) In addition to this base pay, tips are pooled and shared equally among the entire workforce, not just among the drivers. (See discussion of tip pooling policy in Sec. III below.) Employees are encouraged to enhance their work skills to qualify for promotion into higher paid positions. In addition, even though the taxis are owned by the state, after a driver finishes his or her funeral service duties, he or she is allowed to work additional hours performing regular taxi services.

As with the entire Cuban population, the state guarantees workers at this facility their basic necessities. The guaranteed "family basket" includes not just monthly food rations and an income sufficient to pay for housing, but also free education through secondary school, free university education to those who pass the entrance exams and free health care. One worker noted that although the salary level appears "impossible to live on," when it is combined with state-granted provisions and pooled with incomes of other family members, it suffices. The family budget allows for recreational activities "such as beach, camping, and now and then, some party and drinks."

Here, as in other workforce sectors, when an employee suffers an industrial accident, he or she enjoys an indefinite right to return to work. The union visits with the employee, helps repair damaged vehicles and provides services to family members.

Rank and file employees freely and openly commented on various topics. One employee stated that they have a united union and a united country. Another employee commented that if the U.S. blockade were eliminated, many problems would be solved both at the workplace and in the country as a whole. Particular to this enterprise, the U.S. embargo prevents the efficient

replacement of needed spare parts. Without the ability to import replacement parts directly from the United States, the enterprise is forced to purchase parts from European or Latin American distributors at higher shipping costs. To offset or eliminate the resulting cost inefficiencies the embargo causes, the government created a national association, the ANIR, (or ANITA?), to fabricate spare parts when it is impossible or economically inefficient for the enterprise to purchase them from foreign sources. Another employee suggested that Cuba is not afraid of the lifting of the blockade and the resulting influx of dollars. He said that “we wish the blockade would be lifted tomorrow, if it did not exist, it would be marvelous.”

Though labor relations harmony exists generally between the administration and the union, when disputes arise, the administration and the union each defend their own position. The workers argued that Union representatives actively represent rank and file employees, knowing they are subject to recall if the workers are dissatisfied.

The secretary general of transport workers in the province explained that the collective bargaining agreement requires that the administration allow the Union to perform its functions during working hours. The on-site union representatives are not paid by the Union.

The delegation obtained a copy of the 2003-2005 collective bargaining agreement for the enterprise. It contains many provisions similar to those commonly contained in a labor contract in the United States, while others are unique to the Cuban labor-management system.

- Article 35 states that the administration must apply the pay system established by the SUAA for drivers and other workers, or any other experimental system.
- Article 70 in the chapter on the participation of women in the labor process states that the administration is committed to the equal treatment of women and to their advancement and promotion based on their professional qualifications and performance.
- Article 10.1 states that the administration agrees to contribute to the material and moral advancement of the employees consistent with their potential.

At the end of the our visit, Manuel Ramon Costela Orbet, one of the drivers, read a poem titled “Hay Que Luchar por La Paz” or *Why We Have To Struggle For Peace*. A translation is provided.



Photo by Joan Hill

WE MUST STRUGGLE FOR PEACE, By MANUEL RAMON COSTELA ORBET  
Seeing a child born today into our beloved homeland so insecure,  
we realize, brothers and sisters, we must struggle for peace.

To achieve that universal dream we must create a verse with shining doves to build their nests  
where peace is wanting, that men may see each other without suspicion or rancor,  
and their highest ambition be that children flourish in happiness and peace.

Let us grow in peace, the children beseech the exploiting hand that seeks to dominate them,  
because as Marti expressed in such simple verse, the greatest happiness evolves when the  
world's children grow in prosperity and peace.

How can it be that some would play at wars like Hiroshima, unaware that this invites the final holocaust,  
with neither vanquished nor victor.

Forget these fantasies: humanity aspires only to the peace so deserved by the children of the world.

It is time to waken those who sleep and with voices strong and eloquent tell the people that their  
daily bread must be seized because it will not be bestowed upon them.

May those who lust for luxury and to be lords of the land be aware that as we prepare ourselves, our indomitable spirit  
becomes ever more strong and pure.

And may all conscious men and strong women raise their voices against injustice, exploitation and abuse, that the  
reality of this world be ever more splendid and that we may joyfully watch the flowering of the earth's potential.

Our poem ends now with humanity's cry that its aspirations be inscribed on the immortal page, an undaunted  
declaration reaching for the future, carried by the children and their grandparents alike, that here on earth we have  
made peace, peace and happiness.

. Following the reading, the room erupted in applause, rhythmic clapping and shouts of unity.



Photo by Libby Sinback

Introduction and Welcome by CTC Provincial Officers in Matanzas



Photo by Libby Sinback

Oil Production in Province of Matanzas



Photo by Libby Sinback

Meeting with CDR (neighborhood organization) in Matanzas City



Photo by Joan Hill

Health Professional Explains System of Medical and Social Services



Photo by Joan Hill

Delegation Members Listen to Discussion at Mill

### **B. Visit to Empresa Molinera Cárdenas By Barbara Bayes, Joan Hill, and Mark Schneider**

This facility is located in Mantanzas province. There are 365 full time employees of the CTC in this province and 200,000 workers employed in various enterprises.

The manager, union representative and members of the Organ of Labor Justice of the Empresa reported on its general characteristics. The plant opened in 1976 and is made up of four (4) different manufacturing/production divisions:

- Corn mill;
- Breakfast cereal production;
- Pastry factory for hotels; and
- Biscuit factory.

There are 250 workers at the Empresa, of whom 49, or about 20%, are women. The average age of the workforce is about 39. The enterprise had \$5 million USD in sales in 2003. The enterprise has an annual production target of 9 million pesos and \$1.5 million USD in sales of baked goods to hotels in hard currency alone for 2004.

The enterprise has imported corn from the United States for the past two years - 25,000 tons/year. (In 2000, in response to pressure from agribusiness, the U.S. Congress allowed an exemption to the blockade that permits Cuba to purchase specified agricultural products for cash only.) The Empresa operates under the quality standards of the ISO (9000) and is trying to meet international

standards of quality. It was reported that the enterprise is trying to improve quality and all workers are involved in quality control. This is one reason the enterprise considers training of workers to be important.

Another goal of the enterprise is to be ready by the end of year 2004 to directly import product. Currently, the mill doesn't deal directly with U.S. companies but goes through the national import agency, ALIMPORT, which imports corn from Pennsylvania that is processed by the enterprise. The enterprise plans to import rice and is expecting a visit by a U.S. delegation that is considering exporting soy beans to Cuba.

The mill doesn't pay directly for imports. Imported products are paid for in cash by the central import agency, as U.S. law specifically prohibits extending credit to Cuba for food purchases. There are no statutory limits on the amount of imports; however the enterprise must reimburse the import agency, and its limited funds impedes its purchasing capacity. Over the last two years, the enterprise broke production records. Production has increased because of the stable supply of raw material from the U.S. Maintaining production levels is important, since the enterprise is a primary source of food supplied to schools and other high priority centers

When asked why the enterprise would buy soy and other milling products from the U.S. when other countries like Brazil sell it at competitive prices on the international market, we were informed that the corn produced in the U.S. is of a higher quality, the transportation cost and shipping time is less, and the U.S. prices are very reasonable. The enterprise was previously buying corn from Argentina and Canada at \$218/ton. The U.S. price is \$121/ton, although prices are going up. There is limited domestic production of corn in Cuba because of the climate. The amount produced is industrially insignificant and is only used for domestic consumption. (See Appendix B for further discussion of U.S./Cuba trade.)

Workers were asked about salaries and other working conditions. It was reported that this facility participates in the system of "enterprise perfection," in which the enterprise has the authority to return profits to the workers based upon effort and efficiency. Although the State has set a pay scale established by the Ministry of Labor and Social Security, workers are eligible for additional incentives, which are negotiated based upon productivity and are part of the collective bargaining agreement. Since the revolution, salaries have been equitably established for workers throughout the country. For example, a welder or secretary earns the same salary in Havana as in other parts of the country. During the Special Period, factories closed; however, the government tried to maintain salaries as part of a policy to provide for laid off workers. Some adjustments were made in a number of sectors because of deteriorated economic conditions.

As part of the "enterprise perfection" program, workers are eligible to receive what we in the United States might refer to as "profit-sharing" or commissions. However, incentives are ordinarily based on collective rather than individual performance. In the year 2003, incentives were paid during eight months. So far in 2004, incentives were paid in both January and February. A worker's incentives are reduced for absenteeism. The workers at this enterprise receive base pay in pesos that range from 285 to 370 pesos per month with an average wage of 285 pesos per month. Incentives can double these amounts. Managers are paid 370 pesos a month. The fact that some sectors are economic engines is reflected in salary differences.

Enterprises in some sectors (for example, agriculture, health care, education and garbage collection) pay a portion of the workers' salary in dollars or supplement the amount established by the State in pesos. Tourism workers also have higher salaries than the norm. The Province of Matanzas, including the triangle area of Varadero and Cárdenas, where this enterprise is located, has a high number of workers in the tourism sector, who receive tips that are pooled and shared with workers who are not tipped. Workers in these sectors, therefore, have a higher living standard. Tipped workers contribute some of the tip income to cancer, maternal and infant health care programs.

Workers were questioned about the extent to which sharing tips and/or contributing to health causes is universal and truly voluntary. It was reported that workers negotiate different methods in different enterprises. In some places the tips are collective. All workers share them and a provision in the collective bargaining agreement sets forth the process and the percentage. In other enterprises, sharing of tips is voluntary. The Cubans acknowledged that, even where the tips are collective, not every worker contributes to the pool, although it is encouraged by the Union. To encourage this kind of solidarity, those who contribute the most receive incentives and special recognition. However, workers can pocket a tip without consequences.

It was reported that all workers at the Empresa are in the union. Males and females receive equal pay for equal work, a pension plan, and coverage for on the job accidents and injuries is paid for the enterprise and the government. After the Special Period, the government's proposal for workers to contribute toward the cost of Social Security was opposed by the CTC and postponed until salaries could be increased. Workers, however, contribute 5% to their pension. The retirement age for women is 55; for men it is 60. Pensions are calculated by averaging the highest pay during five of the the last 10 last years of service.

Large facilities have more than one union local. For example, there are eight locals in this facility, one per department. The local executive committee is comprised of a secretary general, an organizer, and a secretary for health and safety. In addition to national laws, there is an "activist" in each union local who is responsible for safety and health. There are monthly training courses on the most important aspects of safety. Each worker receives a free medical check before starting a job, and there is a doctor on site. If there is a workplace accident, an investigation is conducted. The facility has a team of health and safety experts, a doctor, a union representative, and an experienced worker. An injured worker gets 80% of salary while at home and 70% while hospitalized. Also the injured worker's family receives extra food supplies and assistance with transportation. If the worker suffers from an occupational disease, he receives 60% of his salary. Accidents that occur while traveling to and from work are considered to be work-related. Workers receive 60% of their income if their injury is accidental but not work related.

Workers were asked about conditions of employment, including situations of sexual harassment. One woman responded, "It is not very frequent in our enterprise. What we rather encourage is equality and mutual respect." Harassers can be taken to court and will be penalized if found guilty. A workplace "Code of Ethics" outlines appropriate workplace behavior, and addresses sexual harassment issues. Otherwise, there are no "structures" regarding unwanted sexual advances. Unless they are violent or dangerous, a woman can accept or reject advances from a co-

worker. Workers reported, “here women have rights, pride, and dignity.” “It is hard for a leader to harass women.” “It is socially rejected and doesn’t happen often.”

Womens’ access to positions of responsibility is unlimited, according to the workers. A woman is the Secretary General of the Municipal Commission. She manages 700 men. Workers said she is respected and is never harassed because she is a woman. The Union is part of the hiring commission, which decides who is best for the job. Hiring decisions are not based on gender, according to the workers who spoke.



Photo by Joan Hill

Female Union Member Discussing Women’s Rights in the Workplace

Employees were asked about “family medical leave.” They reported that workers receive paid leave time before and after the birth of a child. Recently, the law was amended to extend paid leave from six months to one year, with the possibility of up to two three-month extensions. The leave policy was enacted in part to stimulate reproduction in the country, as birth rates have been declining.

Workers and union officers were asked about dues collection. Union dues are 1% of salary. They are not deducted from pay. Rather, they are collected by activists from each union. The CTC receives a percentage of the dues collected and the balance is retained by the local union.

A question was raised about occupational diseases from corn dust. It was reported that there have been no cases of dust disease, hearing loss or dust explosions in the plant. Workers are provided dust masks, earplugs, receive X-rays and have regular check ups.

We toured the plant’s cereal division and observed workers at their work stations wearing protective earplugs near the production equipment. The cereal division is four years old, employs

18 workers, and operates three eight-hour shifts a day producing vitamin and mineral-enriched “Kopitos” cereals. A box sells for about \$2.60 when it is sold in the dollar stores to tourists.



Photo by Libby Sinback

### Mill Workers Packing Cereal

Workers told us they receive a break and one hour for lunch. Each employee’s birthday is celebrated at the worksite with food and ice cream. We had an opportunity to share in this tradition.



Photo by Joan Hill

### **C. Visit to Construction Enterprise By Mark Schneider**

Our delegation had the opportunity to meet with workers employed by an “International Economic Association” composed of an Enterprise Company of Construction Workers from Varadero and a French construction company. Art 77 of the Cuban law regarding foreign investment governs this Association. .

This venture has been organized to build two hotels. The first, the Super Club Grand Lido, was built in record time. It was completed in seventeen months, three months ahead of schedule. With 360 rooms, it is one of the most luxurious in Cuba. The second hotel was built in 25 months and contains 452 rooms at a cost of \$54 million. Another hotel is being built with the same French company. There are 1,500 workers on the project whose base salaries are determined on a fixed national pay scale for workers.

Cubans utilize foreign investment to obtain technology, marketing and financing, as part of a larger plan to develop the country. According to the workers, this is part of the reason for opening the country to foreign investment-- they need technology, financing, and a market. All foreign ventures must follow Cuban laws or the agreement/association can be cancelled

Varadero is the most important resort in Cuba. The plan is to construct 22,000 hotel rooms in Varadero through joint ventures. Presently, 15,000 rooms have been built. After the hotels are constructed, another company owns and operates them. The French company and the Cubans share the profits from the sale of the hotels.

Comparisons to the “building trades” in the United States and our apprenticeship programs were explored. According to the workers at the construction enterprise, students receive technical training as qualified workers or technicians. The Ministry of Construction has its own training centers. Workers get specific training there and instructors come to the job site for further instruction. Once on the project, students also learn on the job. The Sindicato de Trabajadores de Construcción, or SNTC, the construction workers union, is one of Cuba’s 19 national unions. All construction trades are in a single union.

At this enterprise, the French employer does not participate in the Cuban workers compensation system. Each employer is responsible for their own injured workers pursuant to an occupational Health and Safety Law. Injured workers receive a percentage of their salary until they can return to work and free medication if they are hospitalized.

The enterprise has an incentive system for workers, based on productivity. There are benefits and profits from finishing work earlier than planned. The incentives are paid in dollars. There is a 15 dollar bonus for construction workers, plus 400 pesos in base pay (depending on category) a month. There is also a 20% bonus in pesos and 3% in dollars for good and efficient results. A worker can be self-employed, although they must register, obtain a license and pay taxes. Unlicensed workers are discouraged, particularly in the fields of medicine, public health and education.

In 2002, our delegation visited a construction enterprise in Cienfuegos, known as Construction and Engineering Enterprise, EDCING #12, that demolishes, rehabilitates, repairs, designs and constructs buildings. Wage scales at the joint construction enterprise in Varadero were the same as they were at the construction enterprise we visited in Cienfuegos in 2002. Employees are paid on a fixed scale of “Category A, B or C, depending upon their classification and skill level.

Workers were asked about the prospects that Cubans will learn to build in the future without foreign help. In response, it was pointed out that there are only 52 French workers out of 1500 total. It is expected that as part of the next project, Cubans will do more of the work, with less French technical assistance.

Discrimination based on race or gender is prohibited by Cuban Constitution. All companies must comply with the law. Racism is not a daily practice, according to the workers. If it happens, the Organs of Workplace Justice are there to prevent it. “We don’t hide problems, we confront them,” said one of the CTC hosts.



Photo by Robert Curley

#### **D. Visit to Citrus Enterprise** **By Lisa S. Brodyaga**

Our visit on March 17th to the citrus orchards, Victoria de Giron, Municipio Jaguey Grande, was for many of us a highlight of the research project. We were warmly greeted by representatives of the Agricultural and Livestock Workers Union of the province of Matanzas, the Secretary of the Municipal CTC, officials of the Trade Union Bureau, and members of the enterprise Board of Directors.

The orchard is a State Socialist enterprise, founded June 14, 1967. It represents an initiative of President Fidel Castro, following a visit to the territory. Analyses of the soil revealed that it was very fertile, and well suited for citrus production. Before the Special Period, the orchards reached a record production of 12.2 tons of citrus per hectare, or 437,000 tons. At its peak, the enterprise covered 40,000 hectares.

As with other enterprises, the citrus groves suffered greatly during the Special Period. There were shortages of everything from fertilizers to electricity. Some groves were lost to fires, others were abandoned because they were less productive, and could not be economically maintained. What was lost can never be recovered.

Saving the enterprise required creative solutions, and extensive planning, resulting in the introduction of new measures, both in terms of organization, and means of production. The groves now cover only 21,000 hectares; just half of their spread before the Special Period. But with the improvements born of necessity, and nurtured by ingenuity, the groves now produce more

than 500,000 tons per year, with an impressive record of 26 tons per hectare: more than double that of the pre-Special Period.

The new measures include diversification. Although citrus remains the base crop, the orchards have been expanded to other tropical fruits, including mangos, avocados, pineapples, and papayas. The enterprise also produces livestock, including more than 20,000 head of cattle, primarily for beef, which serves both the domestic and tourist markets. The new, more holistic approach includes bee-keeping, greenhouses, flowers, vegetables, and a seed bank. As a given citrus grove declines, it is either replanted, or converted. This year, 1,000 hectares were replanted to citrus, the goal being to replace at least 10,000 hectares by 2012, not with the intent of returning to the 40,000 hectare level of citrus, but of maintaining the current acreage, with new, more productive technology.

For example, the citrus are now planted with greater density, over 310 orange and 270 grapefruit, trees per hectare. New drip irrigation systems provide each tree with an independent source of water, avoiding the waste that accompanies the row/flooding method still in use in many citrus producing areas (including South Texas). The goal is to reach 40-50 tons per hectare: double the current level, and four times that of before the Special Period.

Cuban citrus is marketed under the "Cubanita" label, and is competitive on the world market. The quality of the fruit is as high as that produced anywhere, according to the General Manager, and it is distributed from Europe to Japan. It is sold both as fresh fruit, and juice concentrate. There has been some experimentation with organic production. Although the quality of the fruit improves, its appearance suffers greatly, and this is a serious competitive disadvantage in the area of fresh fruit. However, they recognize that this is the trend of the future, and are "headed in that direction."

The type of chemicals used in the production depends on the requirements of the soil and the criteria established by the market of destination. Most fertilizers are therefore synthetic, in order to exactly match the needs of the citrus, based on the soil analysis. There is greater use of pesticides and herbicides in orchards destined for fresh fruit production, in order to maintain the appearance demanded by the international market. They are extremely careful, however, to stay within international norms regarding pesticide and herbicide residues.

The harvest begins in August, with the fresh oranges. The grapefruit begins to ripen in September. In all, harvest covers nine months, ending in May. Everyone receives one month of vacation, and many are relocated for two months, working with the livestock, cleaning the warehouses, etc. Even after Hurricane Mitch, with winds approaching 200 miles per hour, devastated the area, destroying over 2,500 trees, no one was left unemployed. To the contrary, there was even more work. Salaries are guaranteed, because the worker comes first, according to the administration representative with whom we spoke.



Photo by Libby Sinback

### Citrus Workers

The grove is a Socialist enterprise. It is not a joint venture, but does work with a bi-national group for financing. They will tell their commercial partner that they need a given amount of money, and a contract will be signed for an interest-bearing loan, which is then repaid from the proceeds of the crop.

The orchards are divided into 18 basic units. Each is autonomous, and has its own budget. There are approximately 6,000 to 7,000 workers per unit, depending on the season. In addition to the permanent population, additional workers are brought in from other areas when needed. As we learned from our site visit to the Lenin High School in 2001, a guiding principle of the Cuban educational system emphasizes the integral connection between work and study, which they view as key to developing the students' sense of social responsibility. This is known as the "Marti Principle." The objectives are not so much economic, as the formation of the upcoming generation so that they are ready to engage in any task, and confront any circumstance. Part of the curriculum in every secondary school is direct work experience. Some schools send student brigades to outlying state enterprises, such as the citrus groves. Others, including the Lenin High School, have their own enterprises, where students are active participants.

We were given a small taste of how such brigades operate, functioning as a volunteer mini-unit picking the late crop of juice oranges. We were divided into teams of five or six and provided with team leaders who showed us some of the basic techniques of citrus picking. Although our participation was largely symbolic, with the help of our team leaders we were able to pick nearly a ton of fruit. The grove to which we were assigned was young, so the trees were small, and the oranges within easy reach. Each of us was given a canvas sack that was open at both ends with hooks that allow the picker to fold it up from the bottom so that the fruit would not spill out until time to unload it into the string of trailers hitched behind a tractor. Our team leader showed us how to separate the fruit with a quick upward snap, rather than the more tedious twisting

process I learned previously. The team leader of another group explained that during harvest, she was able to earn up to 500 pesos each two week pay period: an amount double that administrators receive in some enterprises. It was reminiscent of the doctor at one site visit who told us that the sugar cane workers could earn more than he, and that they deserved it, because cane picking was such hot, hard, work.<sup>1</sup>



Photo by Libby Sinback

Delegate Lisa Brodyaga surveying the “harvest.”

The workers' sense of belonging is palpable. This is something we have witnessed in other site visits, and is a key distinguishing feature between the Cuban and U.S. systems of workplace organization. Arguably, this results from the fact that the workers have a stake in protecting and developing their industries, far beyond the typical U.S. counterparts.<sup>2</sup>

This sense of belonging is fostered by the system of incentives linked to productivity. Workers and management alike have access to the various welfare programs run by the enterprise, and/or the state. Nourishment, health, and education are the highest priorities. Other programs include the building of apartments and recreation centers, and use of beach resorts for weekends or vacations at reasonable prices. There are gift shops, and access to construction materials to repair or improve their homes. For example, if someone needs cement to fix a home, it will be specially ordered, and delivered. Everything they need is available, in one way or another. In addition to providing for their own needs, the citrus enterprise is able to provide support for the Cuban medical system.

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<sup>1</sup> In this context, it is worth recalling that medical school, like all forms of education in Cuba, is free. Doctors do not graduate with hundreds of thousands of dollars of debt, as in the United States. To the contrary, Cuban doctors consider themselves indebted to those whose sacrifice made their education possible.

<sup>2</sup> It brings to mind an old Spanish saying: *"el ojo del amo engorda al vecero."* ["The master's eye fattens the calf."].

There are even two free dental clinics, where they develop and provide dentures and other services, which operate from donations provided by the citrus groves.

The key to Cuba's success in the Special Period was the system of incentives. But first, Cubans had to change their thought processes. Previously, there had been plenty of everything, leading to carelessness and lack of efficiency, as, for example, with the waste of irrigation water. The changes were not ideological, but centered on economic principles and efficiency. Instead of a guaranteed market for their fruit, they had to enter the global market, competing with fruit from Florida, Israel, etc. They introduced new technology, such as mechanized tree-trimming to standardized height and width, to ensure adequate sunlight for photosynthesis. They regularly analyze the soil, and the tree leaves, to determine what is needed in terms of fertilizer.

And perhaps most importantly, they changed the pay system, introducing a plan of incentives, based on output, to increase the workers' sense of belonging and motivation. The "master's eye" not only fattens the calf, it ensures that the truck is always in good working order, and that the trees are well tended. The sense of belonging also gives the workers a new sensibility, of dignity, and self-worth. There was a smile in their eyes not seen in the migrant farmworkers who labor in our fields, even though they, too, are often paid on an "incentive" basis, tied to output.

Although it was hardly necessary, given the welcome we received, we were reminded that the Cuban people distinguish between the people of the United States, and U.S. foreign policy. We left with warm memories, and two bags of fruit to take back to the CTC hotel, where it appeared on the breakfast table for the rest of our stay.



Photo by Libby Sinback

Delegates in Solidarity with Citrus Workers and Enjoying the "Fruit of our Labor"



#### **E. Visit to Garment Factory By Judy Marblestone**

On Saturday, March 20, 2004 our delegation visited the Empresa de Confecciones Encanto, Taller 101 – “David Linares” (“Encanto factory”). We spoke to a number of Encanto factory administrators, union officials, and workers who provided the information in this section of the report.

It is important to note that due to our limited time at the Encanto factory the following information does not purport to be complete or accurate. Rather, it reflects generalities and impressions.

The Encanto factory we visited is related to the Encanto retail store. The Encanto factory opened around 1935. Before the Revolution, the factory was a U.S. factory connected to the Encanto Empresa which had a huge department store near central Havana. The firm sewed tuxedos for Rafael Trujillo, the U.S.-allied dictator of the Dominican Republic.

According to Philip Agee, "two days before the Bay of Pigs invasion started, a CIA sabotage operation burned down El Encanto, Havana's largest department store where I had shopped on my first here visit in 1957. It was never rebuilt. Now each time I drive up Galiano in Centro Havana on my way for a meal in Chinatown, I pass Fe del Valle Park, the block where El Encanto stood, named for a woman killed in the blaze." (Phillip Agee, *Terrorism and Civil Society: The Instruments of U.S. Policy in Cuba*, <http://www.wicuba.org/ageearticle.doc> )

Approximately 125 people work at the factory. Approximately 103 of the workers are women. Jobs include sewers, cutters, and mechanics.

The Encanto factory makes sheets, pillowcases, bathing suits, pajamas, blouses, skirts, and underwear, among other products. The Encanto factory produces some goods for export to Europe.

A collective bargaining agreement (CBA) governs the Encanto factory workplace relations. The CBA is governed by the Decreto Ley No. 229 (Law No. 229).

Workers are guaranteed jobs and a basic salary. The minimum basic salary is 254 pesos per month. However, there are production incentives that result in many workers earning up to 800 pesos a month.

Workers' wages are not affected by fluctuations in the price of the goods they sew. Rather, they always receive the basic wage and also receive incentive pay if they reach their targets. Prices for the products that are exported are set centrally by a government entity. The Encanto factory produces goods for which they have already received orders. We were informed that Cuban policy is to protect workers' rights, notwithstanding fluctuations in international market prices. For example, the price of a ton of sugar has decreased dramatically. However, workers in the sugar industry earn more now than they did before.

There are a number of incentives: workers have access to the Encanto factory's beach house, restaurants, camping, nightclubs, CTC hotels, etc. Even workers who are not in the Vanguard have access to incentives, according to our hosts.

Workers normally work 8 hours a day. If there is no production, then workers may earn up to 240 hours of their full salary even if they are not working. Sometimes workers work on the weekends and nights in order to complete production targets. There is no overtime premium pay for these hours; instead, workers receive the production incentive compensation if they meet their production targets. Workers choose to work these extra hours. There is no reprisal if they choose not to work the extra hours. Workers also receive 30 days paid vacation. There are various paid holidays.

The Encanto factory has to fulfill its production targets or it cannot be part of the national vanguard collective. As of March 20, 2004 the Encanto factory had met its 2004 production targets.

In regards to health and safety matters, cutters have metal gloves to protect their hands. Studies have been done that found that the noise level in the factory is not harmful. Sewing machines have protection so workers will not cut themselves. Workers are not permitted to wear jewelry while working and they must pull their hair back. Fans and windows provide adequate ventilation.

On March 15, 2004 I spoke with Vivian Ravelo at the CTC headquarters in Havana. She is an official of the Sindicato de la Industria Ligera, which includes sewing and textile plants. The following information is from our conversation. Again, it is important to note that we did not have an extensive conversation, but rather touched briefly on some general questions.

Sewing Industry. There are over 9000 sewing workers in Cuba. There are 14 sewing factories throughout Cuba. The basic guaranteed salary for sewing workers is 231 pesos/month. There are incentive systems in which workers may earn additional money if they meet certain production targets.

Textile Industry. There are over 6000 textile workers in Cuba. There are 2 textile plants in Havana. The basic guaranteed salary for textile workers is 256 pesos/month. There are incentive systems in which workers may earn additional money if they meet certain production targets.

During the Special Period, as a part of a process called Redimensionamiento, a textile mill that had high energy costs was converted into various factories that consumed less energy. We did not have time to discuss the role of Perfeccionamiento (enterprise perfection) in the sewing and textile industries.

### **III. Conclusion**

**By Dean Hubbard**

Cuba is not a perfect society. Cubans struggle with many of the same forms of oppression that we face in the United States, including the continuing legacy of historic race and gender inequality. They also wrestle with new economic differences born of reforms implemented to survive the rigors of the Special Period and the U.S. blockade. At the same time, the Cubans we met, at all levels of both labor and management, expressed a firm commitment to protecting the interests of all of Cuba's working people, and an impressive awareness that the future of their country is tied to the well-being of its workers. Equally impressive was the refreshing openness of not only rank and file workers but high level union leaders and managers to frank discussion and constructive criticism. Without exception, the Cubans leaders and workers we encountered demonstrated a determination that the principles of solidarity and equality will remain the glue which binds their society as they confront and resolve social problems.

Everything we observed and experienced in the course of our research supports the need for normalization of relations between not only the governments, but the labor movements of the U.S. and Cuba. First, as argued in more detail in Appendix B, the U.S. labor movement has a demonstrable self-interest in normalization. Workers in the United States will benefit, especially if Cuba as a society retains its commitment to protecting the livelihoods of its working people. The success of the Empresa Molinera Cárdenas since it began processing food imported from the U.S., and the policy of passing that success on to workers in the form of increased pay, provides a concrete example of how lifting the blockade would indirectly benefit U.S. workers. If the blockade is lifted, not only will increased exports result in an improved trade balance (and presumably a corresponding increase in U.S. employment), but more importantly, Cuba's improved ability to contribute to the economic well-being of its working people will strengthen its network of social protections, proving a significant disincentive to any U.S. investors inclined to outsource jobs to Cuba simply to obtain cheap labor.

On the other hand, workers in the U.S. will suffer if Cuba becomes just another unregulated outlet for transnational corporations to drive down the cost of labor, just another partner in the race to the bottom, which would undoubtedly occur if Cuba abandoned its socialist ideals in favor the neoliberal capitalist model which has permeated most of the rest of the world.

The former scenario is far more likely in a context of genuine transnational labor solidarity. The continued rhetoric from sectors of the U.S. labor movement calling for a "transition" to an "independent" labor movement in Cuba is not only a Cold War hangover, it is chimerical. The argument that unions operating under a capitalist model are by definition "independent," while any functioning within socialism are automatically rubber stamps for government oppressors, is a superficial generalization at best. More important, such arguments, when reflected in official policy, are a significant and unnecessary impediment to building cross-border solidarity.

The U.S. labor movement, far from being truly independent, is heavily regulated by the government. As any labor lawyer knows, complex and detailed financial reporting requirements are imposed on U.S. unions. The law places such severe limitations on concerted activity and obstacles to organizing by unions that Human Rights Watch has concluded that for all practical

purposes workers' right under international law to freedom of association does not exist in the United States. (Human Rights Watch, *Unfair Advantage: Workers' Freedom of Association in the U.S. Under International Human Rights Standards*, 2000. Available on line at [http://hrw.org/doc/?t=usa\\_labor](http://hrw.org/doc/?t=usa_labor) .) The AFL-CIO, notwithstanding much positive change in the decade since the election of the Sweeney Administration, remains reliant on U.S. government funding for its international operations.

The observation of many delegates who have made multiple visits over several years remains that the CTC appears to function as an effective advocate of workers' rights and interests in Cuba. Admittedly, as our project is one of building mutual respect and solidarity in the context of a decades long blockade by our government, we have chosen not to meet with dissidents financially supported by the U.S. government and its agents as part of its unsuccessful efforts to provoke regime change in Cuba. For the same reason, we have not taken on the task of investigating allegations of harassment and imprisonment of those dissidents. However, we have seen no evidence on any of our visits that the dissidents are supported by large numbers of Cuban workers. In our view, the most important thing the U.S. labor movement can do is continue working to build a strong and truly independent labor movement at home, and leave it to the Cuban people to determine the type of labor movement and government they wish to have. Certainly, trade unionists of both countries have much more to gain from respectful and honest dialogue than they do from clinging to a moribund Cold War ideology.

## Appendix A

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Note: The opinions expressed in this Report are those of the individual authors, not necessarily those of the National Lawyers Guild Labor and Employment Committee or any organizations with which the authors or other participants may be affiliated.

## **Appendix B**

### **Ending the Embargo Would Benefit U.S. Workers**

By Joan Hill

It is undisputed that there is a crisis in manufacturing in the United States. Since the recession began 40 months ago in March 2001, 1.2 million jobs have disappeared. At one point, nearly 3 million jobs had been lost. (Economic Policy Institute, August 20, 2004 Job Watch).

In 2003, labor unions representing workers in declining industries joined together in an effort to increase their political and lobbying might. The Industrial Union Council of the AFL-CIO was formed to address three major issues affecting workers in the United States and the manufacturing crisis: health care reform, labor law reform and trade reform. In this light, the AFL-CIO should not be blind to the issue of trade reform *within* the United States; specifically, the need to put an end to the embargo against Cuba. Unionized workers in the U.S. could benefit by broadening the scope of trade with Cuba.

It can be documented that this embargo stifles the contribution that American workers make for Cuban consumers. Currently, the only products which are legal to export to Cuba are agricultural products and medicine. According to the United States Department of Agricultural, Foreign Agricultural Services, products that fit within the exception (food included) make their way to the shores of Cuba. The Trade Sanctions Reform and Export Enhancement Act of 2000 re-authorized direct commercial export of agricultural and food products to Cuba

To begin, we must address policy concerns; however, no policy change can be effective without identifying what we could trade with Cuba. Certain facts cannot be disregarded:

- One obvious export that the U.S. could provide is food. As our trip to the Empresa Molinera Cárdenas established, it is viable to export rice, soybeans, dry beans and other foodstuffs, many of which now have to be rationed in Cuba.
- As reported by the Associated Press on December 18, 2003, a delegation representing 147 agribusinesses, port authorities, supermarkets and other enterprises traveled to Cuba to mark the second anniversary of the food shipments to Cuba. During 2002, Cuba contracted to buy more than \$500 million in agricultural goods.
- The U.S.-Cuba Trade and Economic Council, Inc. of New York annually reports on commercial transactions between the United States and Cuba. In 2003, the Council reported that poultry sourced from the United States is available through both the informal market as well as the Cuba government-operated Peso ration stores. The 2003 report also identifies nine ports in the United States, including ports in Louisiana, Mississippi, Texas and Florida are handling commodities shipped to Cuba.
- A statement by Congressman Nick Smith, (R-Michigan), after a trip to Cuba in 2001 reported that since the collapse of the Soviet Union in 1991, the output of the Cuban economy has contracted between 30% and 50%. Not only can the U.S. provide food to

Cuba, Cuba “also needs manufactured goods, especially automobiles,” according to Congressman Smith.

- The United States Department of Commerce reported a record \$489.4 billion trade deficit for 2003.
- Montana Democrat Max Baucus, said his state would benefit from agricultural trade with Cuba. "Rather than punish Castro and weaken his hold on power, the embargo has had the opposite effect. By insulating the island from U.S. influence, the embargo has given Castro the free rein he needs to assert complete control over his country," Baucus said. "The International Trade Commission has estimated that, in the absence of sanctions, U.S. exports to Cuba would grow to more than \$1 billion. Meat exports from the U.S. could be as much as \$76 million, while wheat exports could be as much as \$52 million," Baucus added.

Despite pressure from the United States, Canada has never joined the U.S. economic embargo of Cuba. Canadian companies have been active in the tourism and mining industries on the island. Therefore, a review of trade relations between Canada and Cuba provides useful insight into the issues of potential trade between the U.S. and Cuba. Canada's sixth-biggest trading partner in the Americas is Cuba. According to the Department of Foreign Affairs, Canada is Cuba's third-largest global trading partner (only exceeded by Venezuela and Spain). In 2001, trade between Cuba and Canada totaled \$753-million. Canada's main exports to Cuba are computers, agricultural products, motor vehicles and parts, electronic equipment, and sulphur. For its part Cuba sells Canada ores, sugar, tobacco, seafood and copper.

The goal of the AFL-CIO and particularly the IUC to reform trade policy should include reformation of domestic policy towards Cuba. NLG Labor and Employment Committee members, particularly those who work with and for labor unions, should join in the effort to document the potentially positive impact ending the embargo would have on unionized American jobs and manufacturing. The AFL-CIO and its affiliated unions must be educated on the benefits of ending the embargo for American workers, in terms of both improved trade balance via increased exports and the resulting increase in jobs.

## **Appendix C**

### **Workers' Compensation in Cuba**

By Matthew Rinaldi

This short study was originally conceived as a comparison between the workers' compensation system in the State of California in 2004, which is perceived as being in a crisis, as contrasted with the workers' compensation system as it exists in Cuba in 2004.

The field research included site visits with construction workers, taxi drivers, agriculture workers and factory workers, including both garment factory workers and food product workers. Individual interviews were conducted with managers, workers, and union leaders.

It quickly became evident that it would not be possible to compare the workers' compensation systems in the two societies without recognizing the fundamentally different economic and social systems within which workers' compensation benefits are provided.

California, with a free market economy, brings with it multiple layers of advocacy and conflict built into the workers' compensation benefits program. This adversarial system is implemented within a payment-for-services healthcare system with multiple layers of insurance administrative agencies and healthcare billing departments as part of the cost of the overall system. The California workers' compensation system also exists in a societal setting where most essentials are costly and where home ownership and home rental costs consume a disproportionate percentage of earned income. One major consequence is that injured workers are at great risk of losing their housing if they suffer a prolonged injury.

The Cuban system, which is essentially a state-managed economy, provides societal supports which protect injured workers from the economic free fall which can devastate workers in California.

First, all healthcare is free. This avoids the administrative costs which contribute to the extremely high societal cost of providing healthcare in the "free enterprise" system in California. It also has the advantage of avoiding litigation over whether a particular medical procedure is "reasonable and necessary" for the patient. There is no delay in treatment in Cuba caused by the reluctance on the part of any insurance carrier or adjuster to pay for that treatment.

Second, other essential services are either free, such as public education, or are of minimal cost, such as rents or mortgages for those Cuban workers making such payments. Because most housing is free and rent and mortgage payments can be made easily with the income provided through the workers' compensation system in Cuba, injured Cuban workers do not face the risk of losing their homes when they are injured at work.

This comparison does not address the obvious differences which clearly exist between California and Cuba as a result of the relative wealth of each society. It does not address the total quality of high tech medical care available nor the question of the quality of housing available. Rather, the

comparison is focused on the comparative change in an injured worker's total financial situation as a result of an injury at work. Based on that criteria, the Cuban system provides greater protections for injured workers and it is clear that workers injured on the job in Cuba do not face the potential devastation which can be experienced by an injured worker in the "free enterprise" system.

The remainder of this short study focuses on the workers' compensation system that currently exists in Cuba.

It must be pointed out that Cuban law does not establish a separate system for compensating workers who are injured on the job outside the context of social benefits for the entire society. Rather, the procedures and methods of compensation for workers injured on the job are set forth within the law establishing social security benefits for the entire society.

Thus, while workers' compensation has been addressed in Cuban law since 1916, it was not until the legislation passed after 1959 that all Cuban workers were covered by workers' compensation. As noted in the 1983 study by the Organization of American States prior to 1959, although Cuba possessed "a relatively advanced social security system," up to 47% of the labor force had no access to that system. (See [www.cidh.oas.org](http://www.cidh.oas.org))

Beginning in 1959, benefits were extended. In 1963 and 1964 legislation was passed in Cuba (Ley 1100) which guaranteed cash payments to injured workers as well as free medical care. Those benefits were increased by the social security legislation of 1979. (See [www.ssa.gov/policy/americas/cuba](http://www.ssa.gov/policy/americas/cuba))

The definition of a "work place injury" is quite broad in Cuba. In the Cuban system, any injury, whether it occurs at work or during non-working time, which creates a medical condition which results in an injured worker's "inability to perform work" triggers workers' compensation entitlements. In addition, any injury incurred either at work or while commuting to and from work triggers workers' compensation benefits.

While an injured worker is hospitalized, the injured worker receives 70% of his or her salary. Uniformly, the injured worker receives 80% of his or her salary once care is transferred home. The benefits provided to an injured worker can be supplemented by additional benefits to the family under the Universal Social Assistance System. This methodology is consistent with the stated goals of the Cuban Revolution. See Workers in Cuba: Unions and Labor Relations by Deborah Evenson, the NLG Law Center for Economic and Social Justice/ Sugar Law Center, 1997, Social Security and Benefits, page 74.

The current program also incorporates the "material incentives" concept of compensation rather than the "moral incentive" concept embraced in the early years of the Cuban revolution. Consequently, those workers who earn more at their jobs receive a higher income when they are injured or incapacitated. The differences can be significant. The "material incentive" concept allows many Cuban workers to earn monthly bonuses in excess of their base salaries. This occurs both in the "joint venture" context as well as in settings involving traditional state owned Cuban

industries. In the “joint venture” context workers may receive bonuses which are paid in dollars. See Evenson, *supra*., Foreign Investment Salaries and Benefits, page 84.

In Cuban owned industries, such as the garment workers factory in Havana, workers meeting and exceeding production goals have been able to raise their monthly income above the 250 -300 pesos per month of a typical wage earner to as high as 600 to 700 pesos per month. Interviews on site at the garment factory revealed that the method utilized for determining workers’ compensation benefits in the context of high material incentives is to average the previous six months of income and pay the proportion on amounts set forth above based upon that income average.

Workers who are employed by joint ventures and are working with non-Cuban employees of the joint venture have separate compensation systems. Cuban workers are covered by Cuba’s social security laws which incorporate workers’ compensation, while non-Cuban workers are covered by whatever workers’ compensation system exists in the jurisdiction of the foreign company.

There is also ongoing debate as to the possibility of tort remedies when a Cuban worker is injured through the negligence of a non-Cuban employer or employee in a joint venture context.

The current legal system in Cuba does not incorporate a “tort” remedy against a “third party” who may be responsible for the injury. However, as Cuban law finds its origins not only in socialist ideology but also in traditional legal concepts from both Spain and the United States (as a consequence of colonialism) the concept of a tort remedy already exists within Cuban legal theory. As a result, the implementation of tort remedies against foreign investors who are part of the joint venture system is currently the subject of debate within Cuba.

In summation, a worker injured on the job suffers a significantly less dramatic impact on his or her total compensation package and life situation than does a worker injured in California. Second, the workers’ compensation system in Cuba exists within the context of the larger social security legislation initially passed after 1959. This insures that both the injured worker and his or her family continue to receive a total benefits program. Third, while tort remedies are under discussion and debate within Cuba, the protection for injured workers is currently provided solely through the social security benefits program.

## **Appendix D**

### **The Tourist Industry and Cuban Society**

By Kurt Berggren

An economy based on tourism permeates Cuba. Given Cuba's dual monetary system, the tourist economy may very well be the biggest threat to that country's socialist model. The vast majority of Cubans live entirely within the peso economy since they do not have access to the much more valuable dollar, which is what tourists spend. But all Cubans aspire to obtain dollars. Those with legal access to the tourists and their dollars, such as service and hotel workers, taxi drivers and tour company employees, live better in an economic sense than those surviving solely on state controlled wages. Even those in highly esteemed professions such as medical doctors don't compete economically with those having access to tourist dollars. This wage and economic imbalance in the economy has created tensions and governmental actions arguably contrary to the fundamental egalitarianism at the heart of the socialist model.

The government finds itself taking strong measures to ensure that the tourist business, its major industry, thrives. It does so in large part because of the significant impact of the U.S. embargo. Some of those strong measures are troubling and are not in harmony with the more humane and egalitarian aspects of socialism. For example, at many of the beach resorts and areas, Cubans are not allowed. They are excluded from many of the major hotels<sup>[1]</sup> and are discouraged from intermingling with tourists on the beaches. Because many Cubans are trying to make a living by selling to tourists, the official government policy is to protect tourists from the locals. Ensuring that these tourists can do the tourist experience without being bothered by Cubans trying to make a living by obtaining dollars has been official government policy.

This official policy is implemented by excessive use of police. Especially in the tourist areas, such as the beach areas and the old Havana and Vedado neighborhoods in the capital, police presence is overwhelming. In old Havana, there are police on practically every corner or street. They are there ostensibly to prevent tourist harassment.

According to my Cuban friends, they are called the "tourist police" because their focus is solely on protecting tourists. One day while walking down the street with three of my Cuban friends in Vedado near our hotel, we were stopped. My friends, who are in their mid 20s, were briefly detained, had to show IDs and were interrogated for about five to ten minutes. Any Cuban seen with a tourist is presumed to be in a predatory relationship leading to a transfer of dollars. When I told the police that these are my friends and that they should not be getting harassed, they told me that they were only acting to ensure my safety. In case anything happened to me, the police would have their names, I was told. My friends said this harassment is constant anytime they are with non-Cubans.

This anger toward the government for its patent policy of segregation and exclusion is a serious sore within society. That sore, coupled with the resentment toward those Cubans thriving off the tourist industry, seriously undermines the socialist model. What is both interesting and troubling about that conclusion is that the U.S. economic blockade might be said to be working. The dollar economy and the repressive and divisive governmental measures allegedly to “protect” tourism may very well be said to be directly attributable to the economic blockade. And, thus, the hostility felt by the excluded and the segregated toward their government is precisely the result that the framers and the enforcers of the embargo desire. Anything that undermines Castro and the government is the obvious goal of the embargo.

Since our trip, the Bush administration has toughened both the enforcement and the specifics of the embargo with new mean-spirited and divisive regulations. Many of these changes are aimed at reducing the flow of money from the exile community in the U.S. to family members remaining in Cuba. Visits have been reduced to one every three years. The impact of the new regulations will be to further the fracturing of the Cuban family.

The interesting side effect of the new brutal measures is that the harsh changes have angered Cubans in both countries. The administration’s regulatory overkill may have the unintended effect of creating greater solidarity between Cubans and exile Cubans because they are both now being oppressed by the U.S. government. And the disaffected and critical Cubans regarding the Cuban tourist industry may become less critical as their government and their compañeros suffer more and more oppression from the United States. The solidarity of victimhood is a very real counter to the embargo; and that solidarity seems to have a real potential for growth because of the brutal U.S. policy changes. As the United States grows more menacing toward Cuba, the Cuba critics of the forced segregation vis a vis tourists are more likely to be more forgiving of their government which is now viewed as under siege.

The net result is that the U.S. may, with its new policies, be undermining the regime change benefits that derived from the embargo’s side effect of the creation of segregation, non-egalitarianism and separation of the Cuban people from their government. But again, it must be recognized that the conditions and the policies within Cuba that are contrary to the socialist model owe their existence, in large part, to the inhumane and illegal U.S. embargo.

Whatever happens, I think the large majority of our group would favor less tourist police and more open and honest and less predatory interactions between Cubans and tourists. Fortunately, our group’s interactions with our CTC compañeros are healthy and based on warmth and solidarity. Or so it seems to me. But I’m easy, so they say.

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[1] Our group made a point of not supporting segregation when we stayed at a CTC affiliated Veradero Beach hotel that encouraged Cubans as guests.

## APPENDIX E

### Selected Participants' Comments

“I was impressed by the candor of the workers interviewed. When meeting with the taxi drivers, many were very focused on issues of the U.S. blockade and the plight of the Cuban 5. It is important to emphasize that answers we received were not given for propaganda purposes. For example, I asked whether workplace safety was compromised by the blockade. This could have been an opportunity to attack U.S. policies as these workers had already expressed the opinion that the end of the blockade would be better for the country as a whole and would provide more access to spare parts and modern technology. However, we were told in no uncertain terms that the blockade did not compromise workplace safety because the taxi workers simply would never put an unsafe vehicle on the roads, and credit was given to the ingenuity of the Cuban mechanics in overcoming the shortages by improvising in order to ensure vehicular safety.”

*Matthew Rinaldi, Attorney  
Oakland, California*

“...I...don't by any means denigrate the difficulty of putting such visits together and the immense value that this visit had for me. It was a great experience.”

*Wade Rathke  
Chief Organizer, ACORN*

“The NLG trip provided a great, rare opportunity to see first hand and understand how the Cuban labor system works.”

*Sharon Seidenstein, Attorney*

“This project was the fourth time that I have traveled to Cuba with the NLG Project. Each encounter is different and enlightening. I bring home with me the spirit of the workers in Cuba and am encouraged even more to address U.S. policy towards Cuba, not only for my *companerós* in Cuba but for the members of my union and all workers in the United States.”

*Joan Hill, Attorney*