

## Cubans fear hard times ahead, impatient for change

Cubans are bracing for hard times in 2010 as President Raul Castro slashes imports and cuts government spending to get Cuba out of crisis -- and they are growing impatient with the slow pace of economic reform.

Hurricanes, the global recession, US sanctions and the inability of the communist-run island's command economy to maneuver have put an end to recovery from the 1990s crisis that followed the Soviet Union's demise.

Local economists agree there will be little if any growth this year for the first time in more than a decade as Cuba battles a cash crunch that has forced it to stop paying bills and freeze bank accounts of some foreign companies in Cuba. Castro, trying to balance books overflowing with red ink, has reduced imports this year by a third, or some \$5 billion, and cut local budgets and energy consumption.

Cuba is dependent on imports, including food and fuel, of which about 70 percent of what it consumes comes from abroad.

The communist government gets moral and economic support from Venezuelan President Hugo Chavez and other leftist leaders in Latin America, as well as China, but Cuba's income from tourism and exports of nickel, petroleum derivatives, cigars and shellfish has fallen sharply this year.

The austerity moves were necessary after Cuba's trade deficit soared 65 percent and its current account, which measures the inflow and outflow of foreign exchange, went from a \$500 million surplus in 2007 to an estimated shortfall of nearly \$2 billion last year, said the economists, who requested anonymity due to restrictions on talking to foreign media.

Castro's budget-cutting will put the current account into the black this year and "he intends to keep it that way in 2010," said one economist, indicating the belt-tightening will not end soon.

Castro, who took over as president from his ailing brother Fidel in 2008, makes no bones about dismantling the paternalistic economic and social model he inherited.

"Let's not deceive ourselves," he told the National Assembly a year ago. "If there is no pressure, if the people do not need to work in order to cover their necessities, and if we continue to give things for free here and there, we shall lose our voice calling people to work."

Castro, who served as defense minister for decades, in March replaced most of the economic cabinet he inherited, filling key posts with former and active military officers.

He has implemented reforms in agriculture, wage structures and some other areas but the changes have so far been small and reached few of the island's 11 million people.

Cubans say that if Castro wants to do away with things like their monthly food ration and free workplace lunches, he will need to give them some way to raise incomes that now average less than \$20 a month.

There has been speculation he would take measures such as allowing small businesses to operate and putting some of the retail sector in the hands of semi-private cooperatives but, so far, nothing like that has materialized.

Recent grassroots discussions conducted by the ruling Communist Party revealed growing impatience with the government's inability to propose concrete alternatives and get its own house in order, participants said.

"I realize the food ration has to go but first we have to know how they plan to do it and what will come after," said Pedro, a Havana pensioner.

"I agree with the changes Raul has made so far but it seems to me there are a lot more things that need fixing," Renaldo, a Communist Party activist who helped organize the discussions in central Cuba, said in a telephone interview.

People involved in the meetings said the state bureaucracy came under withering fire.

While farmers applauded Castro's decentralization of the sector, higher prices for their produce and grants of fallow state land to 100,000 new tillers, they questioned the government's continued stranglehold on the supplies they need and the sale of their products.

"Farmers have never wanted the state to give them anything. What we want is that they sell us what we need to work and produce," Evelio, a farmer in central Cuba, said in a telephone interview.

Factory workers complained Castro is urging them to produce more but that the state system is not providing the needed

supplies.

"I cannot plan anything because it depends on what they give me, on planning above," said Carlos, a factory worker.  
"And there the problems continue."