

*Press Release No. 17 - Food Monitor Program*

## **Regarding Latest Economic Measures and Ministerial Realignments: What Can Cubans Expect?**

Havana, February 8, 2024

At the end of last year, the Cuban government announced a new package of economic measures, including increases in the payment for basic services such as water, electricity, and gas, as well as over a 500% rise in fuel prices and the opening of service centers for payments with a new dollar card.

These measures, amidst the severe crisis facing the country and the rampant inflation it is experiencing, were met with displeasure by the populace. Accused of implementing neoliberal measures, Cuban President Miguel Díaz-Canel Bermúdez postponed the fuel price hike and made several changes in ministerial portfolios.

Consequently, Alejandro Gil and Manuel Santiago Sobrino Martínez were removed from their positions as Minister of Economy and Minister of Food Industry, respectively. However, this action is not unique to a single moment in Cuba's history. Over the past five years, Marino Murillo, the visible leader of the Tarea Ordenamiento, was also ousted less than a year after its implementation.

In the face of government measures' unpopularity and failure, the removal of visible political figures, seemingly responsible, has become a common practice. To the extent that Cuban economist Juan Triana Cordoví has declared that, at least in Gil's case, he never had the power to implement any decision; rather, these orders came from a higher level. Likewise, he denounced the lack of clarity in decision-making by the corresponding bodies and actors.

These changes not only scapegoat part of the leadership but also serve as a political tool to divert the public's attention from the real problems in the country, which the Cuban government has yet to resolve. Amidst the crisis and food insecurity gripping the island, the delay in implementing new measures and the dismissal of ministers responsible for those areas are entirely ineffective. This is reflected in the immediate and sustained rise in food prices since the price hike was announced.

The harmful government decisions have encapsulated economic dynamics in a vicious circle, where the people bear the consequences. Thus, the lack of investment in the agricultural sector has significantly reduced the national self-sufficiency capacity, increasing shortages and prices of products. Furthermore, the announcement of increased import tariffs for small and medium-sized enterprises has contributed to the scarcity and inflation of basic products such as milk and poultry.

It is evident, therefore, to discern the repetition of patterns that increasingly lead to the impoverishment of the Cuban people: price increases, restrictions on independent economic actors, lack of government investment, dependence on exports, removal of leaders as scapegoats, among some of the main issues.

However, until the Cuban government decides to implement profound changes in its economic system, such as decentralization of the economy, a market based on supply and demand, and a real openness to investment and development of independent economic actors, the crisis will continue to worsen, while the people, especially the poorest and most vulnerable sectors, such as the elderly, will continue to bear the results of these improvised decisions.