Díaz-Canel Brings Critical Economists onto Economic Advisory Committee

Cuba's President Brings New Members onto His Advisory Board (Source: Cubadebate)

Cuba is on the verge of sweeping economic reforms. As the Spanish news agency *EFE* reports, President Miguel Díaz-Canel has now established a new advisory body to oversee their implementation, which for the first time includes economic experts critical of the government. Three sources familiar with the initiative confirmed this to the agency. The committee held its first substantive working session on Tuesday, after meeting for the first time last Friday—coinciding with the broadcast of Díaz-Canel's announcement of a reform package on Cuban state television.

The initiative comes directly from the president. Apparently, neither the office of Prime Minister Manuel Marrero nor that of Minister of Economy and Planning Joaquín Alonso is directly involved.

Critical Voices at the President's Table

At the core of the five-member committee are economists Omar Everleny, Juan Triana, and Julio Carranza. All three have been regularly commenting on economic issues in independent media for years and calling for far-reaching structural reforms of the Cuban model. Some of them were already key figures in the reform debates of the 1990s, during which proposals such as the introduction in 2021 of a legal framework for small and medium-sized enterprises (SMEs) were first raised. Later, they were involved to varying degrees in Cuban institutions, though some were excluded from decision-making circles.

One of the new advisors is economist Juan Triana, who teaches at the University of Havana (Source: Flickr)

Their specific proposals differ in detail but share a common underlying direction: greater use of market mechanisms within the framework of the socialist system; greater emphasis on the private sector and foreign investment; more autonomy for state-owned enterprises; promotion of domestic agricultural and industrial production; the creation of legal certainty; and a solution to the current currency chaos. All three economists explicitly acknowledge the negative effects of the U.S. embargo. At the same time, they have repeatedly spoken out against homegrown delays and inconsistencies in the implementation of reforms.

The committee is rounded out by two representatives of the establishment: former Minister of Economy José Luis Rodríguez García and the president of the National Association of Economists and Accountants (ANEC), José Carlos del Toro Ríos. Both are also deputies in the National Assembly.

“Wish this had happened much sooner, but it’s a step in the right direction. And any group of economic advisers that includes Omar Everleny, Juan Triana, and Julio Carranza is bound to enrich the internal debate and improve the quality of policymaking”, commented analyst Ricardo Herrero of the Cuba Study Group on the appointments.

Reform Package to Be Approved by Party and Parliament This Week

The committee is tasked with developing proposals that go beyond and build upon the package of measures announced by Díaz-Canel last Friday. The reforms already announced include, among other things, opening the tourism sector to new players and business models, promoting foreign direct investment—particularly from Cubans living abroad—and expanding the role of the private sector. In addition, there are measures to revitalize agriculture, foreign trade, and the real estate sector, as well as greater autonomy for state-owned enterprises and local governments.

Since Friday's announcement, however, the pace has picked up: On Wednesday afternoon, the Central Committee of the Communist Party of Cuba (PCC) is set to evaluate the reform proposals. On Thursday, the parliament will vote on the proposals in a special session convened on short notice.

Internal Crisis, External Pressure

The need for reform has been acute for years. Since the massive slump in tourism during the COVID-19 pandemic, the country has been suffering from a multifaceted economic crisis that is affecting all spheres of society. Gross domestic product has plummeted by about 12 percent since 2019.

Since January, Washington has almost completely blocked the import of crude oil and petroleum products to Cuba. In addition, international hotels, shipping companies, airlines, and banks have scaled back or completely ceased their operations on the island for fear of U.S. secondary sanctions.

The economic reforms could pursue two goals simultaneously: on the one hand, to stem the island's deep structural crisis and counter the effects of the blockade; on the other hand, to alleviate political pressure from the U.S., which is demanding far-reaching reforms from Havana and has recently and repeatedly threatened military strikes. (Cubaheute)