State Restructuring Cuba: Government Plans to Reduce the Number of Ministries from 27 to 20

The Ministry of Agriculture—notorious for its excessive bureaucracy—will no longer exist in its current form (Source: Ecured/AI-scaled)

On Monday, the Cuban National Assembly released a draft bill on the reorganization of the central government. The bill calls for reducing the number of ministries and central government agencies from the current 27 to 20 in the future.

The proposal is to be submitted to the National Assembly for a vote at its regular summer session this coming July. The law will take effect 60 days after its publication in the Official Gazette; the ministers concerned will then have up to one year to implement the organizational restructuring within their departments.

A leaner state with less bureaucracy

President Miguel Díaz-Canel had already announced the plan in an interview back in April. The state apparatus is to be streamlined to operate more efficiently in times of severe economic crisis and to reduce bureaucracy. “It is necessary to reorganize, downsize, and improve the central state administration to achieve greater efficiency in administrative functions,” the bill states.

Prime Minister Manuel Marrero Cruz summed up the rationale for the state restructuring: “A small country in such a complex situation cannot have such a bloated structure, so much bureaucracy—that makes processes inefficient and requires a different design.” In doing so, the head of government openly acknowledged what economists and citizens have been criticizing for years: that the Cuban administrative apparatus, with its most recent 27 central agencies, has become not only sluggish but in some cases even dysfunctional.

The New Ministries

The centerpiece of the reform is the merger of several ministries. The Ministry of Economy and Planning and the Ministry of Finance and Prices will be combined into the new **Ministerio de Economía, Finanzas y Planificación**. In the future, this ministry will be responsible for economic planning, the budget, taxes, accounting, the national treasury, prices, public credit, and insurance.

The former Ministry of Agriculture and the Ministry of Food Industry will be dissolved and merged into the new **Ministerio de Agroalimentación**. According to the draft bill, its remit includes state policy on the sustainable use of agricultural and forestry land, agricultural, sugar, and forestry production, the food industry, sugar and its byproducts, beverages and spirits, as well as fisheries and their marketing.

Further mergers involve the Ministry of Higher Education, which will take over the areas of science and technology, as well as the former Ministries of Industry and Construction, which will henceforth operate jointly as the **Ministerio de Industrias y la Construcción**. Both the Ministry of Agriculture and the Ministry of Construction had previously suffered from a poor reputation due to excessive bureaucracy and inefficiency.

A new **Ministry of the Environment, Habitat, and Housing** is also being created, which will consolidate environmental protection, water management, spatial planning, urban planning, and housing. The former sports institute INDER (National Institute of Sports, Physical Education, and Recreation) is being upgraded to the **Ministry of Sports and Recreation**, and the Institute for Social Information and Communication is also being granted ministerial status.

The ministries of culture, education, energy and mining, communications, justice, foreign affairs, health, labor and social security, tourism, the armed forces, the interior, and transportation, among others, remain unchanged. The Central Bank (Banco Central de Cuba) retains its status as an independent body of the central government but will not become a ministry.

Restructuring in the Crisis

Many of the changes appear sensible. The streamlining effort particularly affects those ministries that have not exactly shone with agility in recent years (and in some cases decades)—above all the Ministry of Agriculture. The fact that the economy, as well as finance and pricing, will be managed by a single ministry in the future could also reduce bureaucratic overhead.

Until now, most reforms have been accompanied by legislation from both the Ministry of Economy and the Ministry of Finance, which has not always made them appear cohesive.

It is also interesting that the upcoming reform of state-owned enterprises appears to be already being anticipated: As economist Pedro Monreal has noted, a director of the “National Institute for State Enterprise Assets” (INAEES) has already been appointed. In the future, this institute will take over the management and restructuring of state-owned enterprises—which make up the bulk of the economy and employ around two-thirds of Cubans— inspired by its counterpart in China.

It remains to be seen how this restructuring will be managed in times of crisis resulting from the U.S. energy blockade and sanctions that have been tightened to the maximum. In addition to the restructuring of the state sector, a draft of a new housing law, a law on agricultural land, and a reform of labor law are also scheduled for discussion in July. All four draft laws are available on the National Assembly website for public comment. (Cubaheute)