

# Cuba's New Cooperatives

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The decades since the dissolution of the Soviet Union have led socialists of many stripes not only to try to renew old principles and ideas, but to rethink the very foundations of socialism as it has historically developed. In particular, the state-centric model of what used to be called “actually existing socialism” has been widely questioned. Does true socialism require a centrally planned economy, hierarchically controlled and administered by the state? Or does it center on the empowerment of the “associated producers”? Is the immediate task of socialism to develop the forces of production, or the flourishing of human beings? Is there a place for markets in socialism? Is state property the only or highest form of socialist property? What about worker-owned and managed cooperatives?

The project to build a twenty-first century socialism has been most prominently associated with the late Hugo Chávez’s Bolivarian Revolution, but fresh answers to these questions are also being sought in Cuba, the Zapatista areas of Mexico, and elsewhere. Though their circumstances vary widely, these contemporary socialist initiatives share certain values: the empowerment of civil society, democratic participation, decentralization, cooperation, and human development.

I want to try to conceive of these efforts in terms of the commons. Historians have long documented the ways that capitalism drew its early accumulation from the dispossession of commonly owned resources—a process that continues to this day, as David Harvey and others have pointed out.<sup>1</sup> I conceive of the building of a socialist society and economy as a reversal of this process, a reclaiming of commons—that is, all those resources that contribute to human development and do so best when shared and governed democratically by a community.<sup>2</sup> This includes not only the forests and fields of the pre-capitalist past, but also education and health care systems, parks and streets, waterways, and the shared culture, knowledge, and productive resources of a society.<sup>3</sup>

Capitalism seeks to enclose these and other resources, privatizing and commodifying them. From energy utilities to education to public land to technological innovations, in the era of rampant neoliberalism, everything is seen as fair game for capital.<sup>4</sup> In the broadest terms, socialist construction is the process of socializing such resources, to bring or return them to the commons. The social is that which connects us with one another: to socialize an institution is to shape and direct it toward the common good.<sup>5</sup> Socializing institutions means claiming them as our shared wealth, freely available to all and for the benefit of all. It is a transition toward what can be called commonism.

But common ownership alone is not enough. How can we ensure that the commons are

democratically governed? Democracy depends on a collective agency, which in turn requires a collective identity.<sup>6</sup> That is, the commoners must identify themselves as a community sharing a resource, and thus feel committed to its proper governance. A model well-suited to this democratic management of many forms of the commons, I believe, is the cooperative.

Today, as the Cuban Revolution moves away from the centrally administered state socialism of the last century, its leaders are seeking to socialize their institutions in a new way. Although in the 1960s the new Cuban government reclaimed the resources of society from capitalism, it did not fully socialize them. Instead, the state stepped in as the agent of society, in effect removing the people from active participation.<sup>7</sup> A paternalistic state provided universal free health care and education, along with secure employment, and in return, the people gave the state their loyalty. But they have remained passive participants, rather than protagonists in a participatory democracy, shaping their own destiny. As a result, by the end of the twentieth century, it was civil society, rather than the state, that threatened to wither away.

Now the Cuban state is devolving power downward, to local levels of government and to cooperatives. While most property remains state-owned, where possible, its management is being transferred to those in actual possession of property. With management thus separated from ownership, the operation of small enterprises is placed in the hands of collectives of workers. Following the principle of “subsidiarity,” daily decisions are to be made at lower levels, with the support or supervision of higher levels where necessary. Through these reforms, the Cuban state is recreating democracy from the base of society upward, and the constituted power of the state is facilitating the constituent power of civil society.<sup>8</sup>

If socialist construction represents the incremental reclaiming from capital of resources that rightly belong to the commons, in the case of Cuba, those resources are being reclaimed from the state—with the state’s own active assistance. This can be seen most starkly in the conversion of state enterprises such as restaurants, factories, transportation services, and construction companies into cooperatives. Businesses that since 1968 had been run by the government are now being turned over to their former state employees, to be managed by the worker-owners of these businesses. As such, they are no longer controlled by the state through one of its ministries, although they may lease their facilities from the state. Instead, as independent social enterprises, they are responsible for their own profits and losses. After paying expenses and taxes and setting aside a reserve fund, profits are distributed among cooperative members. Initial studies have shown that average incomes among cooperative workers have increased by as much as three to seven times.<sup>9</sup>

A cooperative can thus be understood as a kind of labor commons.<sup>10</sup> It is a commoning of labor among a group of workers who then consciously direct their efforts toward goods and goals shared both by them and the larger community. Cooperatives nurture a social personality: one’s daily worklife is based on cooperative social relations and an ethic of solidarity. Participation in collective decision-making promotes practices of social responsibility. Individual interest is linked to a common interest. It thus develops one’s social being, or as Marx put it, one’s “species being.” Cooperatives not only socialize work; they also socialize the worker. Cooperatives are little schools of socialism.

However, the socialization of workers into self-managed cooperatives does not occur automatically. It is a gradual process of learning, particularly when a cooperative is converted from a state enterprise previously defined by hierarchical relations between workers and management. Re-education is needed to break free from long-accustomed habits. For example, when I visited a formerly state-run sewing workshop in central Havana that makes guayabera shirts and dresses, the elected manager called her fellow associates “my workers,” even though she effectively answers to them in their monthly General Assembly meetings. Old habits run deep, and it appeared that the main change for her under the new model was that she no longer had to clear her decisions with higher authorities, and now enjoys some autonomy. For this reason, the country’s Institute of Philosophy conducts regular training workshops for new cooperatives, educating members and managers in practices of democratic self-management.

The situation is more propitious in new, self-organized cooperatives. There it is easier to create social relations afresh, understanding from the beginning that workers are united in a shared endeavor. El Biky restaurant is one such self-organized co-op. Authorized in February 2014, it was organized by a small group who leased a building from the state in central Havana, near the university. During the facility’s renovation (sponsored by a state-backed loan), others soon joined them as conscious members of a self-governing enterprise. Opened in November 2015, it now has two hundred members, who together operate a well-staffed restaurant, bar, and pastry shop where members can work half-time and still take home many times the pay that state workers receive.

During the last two years I have led delegations from the Center for Global Justice that have visited nine of these new urban cooperatives being established in Cuba. We investigated a transportation co-op that operates a fleet of buses, a furniture cooperative, a construction cooperative, and several restaurants. Hundreds more of these new urban co-ops have opened, forming a vital part of the emerging non-state sector of the economy. In addition, there are thriving small private businesses in personal services (e.g., beauty parlors) and hospitality, serving tourists (restaurants and rental rooms). Cooperatives offer a socialist alternative to both state employment and to working under a boss in a private business.

Cuban agriculture has long depended on cooperatives, but it was only in December 2012 that the National Assembly authorized urban cooperatives, on an experimental basis. While a comprehensive cooperative law was expected to be adopted in 2016, it is now hoped that will be possible by the end of 2017. The Cuban leadership, internally divided over these and other reforms, has been cautious in expanding the cooperative experiment. Many workers are said to be ready to form co-ops, but must wait for officialdom to catch up with the people.

Meanwhile, private businesses are growing rapidly. In nearly two hundred subsectors of the economy, Cubans are now allowed to pursue self-employment or *cuentapropista*, and private businesses can employ wage workers, also misleadingly called *cuentapropistas*. These are essentially petty-bourgeois enterprises—not yet capitalist, since they remain small and the owners themselves work there. Policy guidelines aim to avoid the accumulation of private

wealth, preventing this nascent petty bourgeoisie from becoming a big bourgeoisie. For while not a capitalist class, they are clearly not inherently socialist either. Too often, small private business does not nurture a socialist consciousness, but the narrow individualism of the petty shopkeeper. As Raul Castro pointed out in his report to the Seventh Party Congress, “petty bourgeois ideology [is] characterized by individualism, selfishness, the pursuit of profit, banality, and the intensifying of consumerism.”<sup>11</sup> With effective limits, taxation, and controls, a petty bourgeoisie may be compatible with socialism, but it is not socialist.

Cooperatives, by contrast, represent socialism in action in the everyday lives of workers and their communities. If a social order is to be sustainable over the long run, it needs to be rooted in the moral order, in the character of the people. Their shared values and sensibilities must be consonant with their institutions. In the longer term, cooperatives contribute to this socialist hegemony.<sup>12</sup> Socialism requires not only a socialist state but a socialist people, and cooperatives nurture such a people.

In adopting new policies toward Cuba, President Obama sought to assist the development of private businesses in Cuba, as distinct from cooperatives.<sup>13</sup> Whether President Trump will continue this effort to subvert Cuban socialism from within remains to be seen. In any case, Cuba’s leadership is alert to the corrupting influence of an unbridled private sector. The promotion of cooperatives in a vibrant socialist civil society can be a powerful protection against an emergent capitalism. Private business can be prevented from growing too large through progressive taxation and customs policies, and if a private business reaches a certain scale, it can be converted to a cooperative, so all employees can share in the profits and decision-making. This could be done through a radical version of Sweden’s famous Meidner Plan, whereby a percentage of profits would go into a workers’ fund representing equity in the business. In a matter of years, the workers could thus become owners and the business a cooperative. Hopefully some such way will be found eventually to socialize larger private businesses.

A new regulatory regime must be developed and enforced in the private sector. At the same time, Cuba can aggressively promote a socialist cooperative sector. By doing so, it can at once unleash the productive power of cooperative labor, raise living standards, and nurture the collective consciousness essential to socialist construction.

## Notes

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1. ↪David Harvey, *The New Imperialism* (Oxford University Press, 2003), 137–82.
2. ↪George Caffentzis, “Divisions in the Commons,” in Cliff DuRand, ed., *Moving Beyond Capitalism* (London: Routledge, 2016), 64–80.
3. ↪Michael A. Lebowitz, *The Socialist Alternative* (New York: Monthly Review Press, 2010), 146–48.
4. ↪Anatole Anton, “Public Goods as Commonstock: Notes on the Receding Commons”, in Anatole Anton, Milton Fisk, and Nancy Holmstrom, eds., *Not for Sale* (Boulder, CO: Westview, 2000), 3–40.

5. ↵Eric Olin Wright, “The Socialist Compass,” in Wright, ed., *Envisioning Real Utopias* (London: Verso, 2010), 110–49.
6. ↵Cliff DuRand, “The Possibility of Democratic Politics in a Globalized State,” in DuRand and Steve Martinot, eds., *Recreating Democracy in a Globalized State* (Atlanta: Clarity, 2012), 195–215.
7. ↵Michael A. Lebowitz, *The Contradictions of “Real Socialism”* (New York: Monthly Review Press, 2012).
8. ↵Cliff DuRand, “The Dialectic of Constituent Power and Constituted Power,” in DuRand, ed., *Moving Beyond Capitalism*, 195–99.
9. ↵Camila Piñero Harnecker, “Cuba’s Cooperatives: Their Contribution to Cuba’s New Socialism,” in DuRand, ed., *Moving Beyond Capitalism*, 184–94.
10. ↵Marcelo Vieta, “Autogestion: Prefiguring a ‘New Cooperativism’ and the ‘Labour Commons,’” in DuRand, ed., *Moving Beyond Capitalism*, 55–63.
11. ↵Raul Castro, Report to Seventh Congress of the Cuban Communist Party, *Granma*, April 18, 2016, <http://en.granma.cu>.
12. ↵Olga Fernandez, “The Necessary Renovation of Socialist Hegemony in Cuba: Contradictions and Challenges,” in Cliff DuRand, ed., *Moving Beyond Capitalism* (London: Routledge, 2016), 179–83.
13. ↵Cliff DuRand, “US Policy on Cuba: From Regime Change to Systemic Change,” Truthout, January 8, 2015, <http://truth-out.org>.