

Cuba's private sector booms

HAVANA, April 2 (Xinhua) -- Cuba is expected to see more self-employed workers this year, as the country is embracing a private sector boom.

Around 240,000 workers are likely to join in 2012 the private sector, where 362,000 people already registered in December 2011, according to statistics published Monday by official media.

Meanwhile, the number of workers at state-run companies is expected to drop by 170,000, Cuban Deputy Labor and Social Security Minister Jose Barreiro said.

Cuban leader Raul Castro launched an economic renovation program three years ago to encourage the expansion of the private sector to make the island's economy more efficient and productive.

In 2011, some 1.5 million employees were laid off from the public sector as part of the modernization campaign.

Under the government's 2012 plan, 170,000 Cubans will turn to the private sector.

Besides, 70,000 first job finders would also work in the sector, Barreiro said, adding Cuba was advancing step by step in reorganizing its labor force.

In an effort to stimulate local private investment, the Cuban Central Bank announced last November it would start granting credits and loans to develop private-sector economy.

In an unprecedented move, the government also made it possible for private workers and farmers to provide services and products to state-owned companies, without placing financial limits on contracts.

These economic reforms, however, should not be seen as a signal of political reforms, local officials stressed.

"There will be no political changes in Cuba," said Marino Murillo, deputy president of Cuba's Council of Ministers, "But we will update the economic model as much as necessary."

Cuba's economic model resembles the Soviet one because of the strong commercial ties between the two countries in the past, Murillo noted.

"We have studied what different countries have done in terms of modifying their economic model: China, Vietnam, Russia and other European countries," he said. "However it does not mean that we will automatically copy foreign models."

Murillo said Cuba's new economic model "will ensure equal conditions for human development, so no one will remain unprotected."