

# Hard times force Cuban retirees to work

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HAVANA --

The woman with the popcorn bags traced the same path along the Malecón seaside boulevard, slowing to a stroll on arthritic feet. *Roseta de maiz*, she called out, offering her popcorn for sale to young Cubans dangling their legs off the seawall that fronts the Florida Straits.

Maria is 59 and retired -- at least in theory. For the past four years, she has held two jobs in the underground economy to supplement her government pension. Like many of her generation, she is finding that what was possibly once the most generous pension system in Latin America now struggles to sustain its oldest citizens.

"The poorest, most vulnerable group in Cuban society are pensioners," said University of Pittsburgh economist Carmelo Mesa-Lago, co-author of the 2004 book *Cuba's Aborted Reform*.

Now, throughout Havana, retired scientists and teachers drive cabs, hawk newspapers and guard parked cars for tourists in front of the lush Parque Central.

Here on the Malecón, Maria has competition.

"*Mucha competencia*," mutters Maria, who worked three decades in a factory that made drinking glasses and busts of independence hero Jose Marti.

Other gray-haired vendors add to the chorus of calls, the names of their wares swallowed in the echo of crashing waves below.

"*Mani*," one man cries, offering white paper cones full of peanuts to camera-toting tourists and Cubans drinking rum.

Another man with a shoulder sack sells caramels and lollipops in pink and purple wrappers. A woman peddles stuffed animals.

"Cubans are fighters," Maria says. "Everybody has *su manera*."

That *manera*, or way of getting by, is often the booming underground economy.

Maria earns a pension equal to about \$7 a month. But the monthly rations Cubans can buy in peso stores last about a week. Healthcare is free, but state-subsidized pharmacies sit bare.

If she can't find pills and food at pharmacies and peso stores, Maria must buy them in dollar stores or on the black market at higher prices.

Some seniors depend on money sent from families. Maria has no one outside Cuba.

Like most older Cubans, she lives with her whole family. She shares a two-room apartment south of the city with her husband, their son, pregnant daughter and twin 14-month-old granddaughters.

Her husband, retired, refuses to work anymore. They fight about her other jobs.

"Why are you working there?" he yells. "You are a slave."

"I'm not a slave," she answers. "I have to help our daughter."

Their daughter's pregnancy has left her bedridden. The family sleeps in one room on two beds pushed together. Maria can't remember the last time she made love with her husband.

She has just one full day a week to spend at home, on Sunday. Instead of taking her granddaughters to the zoo or the National Aquarium, she needs that time to cook and clean the apartment.

She spends most of the rest of the week cleaning and washing laundry at a home where tourists rent rooms. It pays \$15 a month, more than double her pension and equal to the average national salary.

And one day a week, she's here on the Malecón. On a good afternoon, after eight hours, she can make a \$3 profit.

But Maria's enterprise carries a risk. She needs a license to sell popcorn, which is why she asked that her last name be withheld.

She never got a license because the flat tax that comes with it would wipe out more than half of what she earns selling popcorn. If the police catch her -- and they do check -- she faces a fine that would put her back nine months in pension payments.

Those payments were part of what's considered the most generous and costliest pension system in Latin America, Mesa-Lago said.

By the end of the 1980s, the plan implemented by Fidel Castro's revolution covered more than 90 percent of the labor force. Most workers don't pay into the system, and state businesses pay only a 12 percent payroll tax toward social security pensions.

Then came the collapse of the Soviet Union, Cuba's chief trading partner, and the island's economy took a nosedive in the 1990s. Costs have skyrocketed,

more so with the recent tightening of the U.S. embargo, and pensions have not kept pace.

More Cubans are retiring and living longer, and Cuba is proud of its long life expectancy. But that means retirees draw on the system longer. Employer contributions to pensions are not enough, Mesa-Lago said.

Last year's Cuban budget shows a deficit of 1.4-billion pesos, or \$70 million, in the pension system. The government has plugged the hole and managed to make small increases to pensions. But it did so with cutbacks in other social priorities, like education and healthcare, Mesa-Lago said.

Complicating matters, Cuba's future work force is falling behind. The birth rate is plummeting as young couples leave the island or have fewer children because of economic hardships.

By 2025, experts predict that Cuba will have the oldest population in the region. And by then, the ratio of active workers to pensioners will drop to just 1.5.

Recent articles in Cuban newspapers have addressed the crisis and drawn attention to existing help, including nursing homes and "grandparent circles" that provide meals, medicine and social workers for the elderly.

The Cuban government is counting on families to go on caring for their parents and grandparents at home while the government provides additional soup kitchens and house calls to ease the burden, according to published reports.

Some government officials in Cuba have proposed offering incentives for workers to retire later in exchange for higher pensions. The minimum retirement age for women is 55; for men, it's 60.

The proposal was never approved.

Carlos Lage, a key member of the provisional government headed by Raúl Castro, said recently that the current communist system "was not as ideal as the one we wished for, or achieved years ago." But, he said, "our people today enjoy rights that for billions of people on the planet aren't even imaginable. No one lacks the opportunity to study, or a job."

For her part, Maria isn't going anywhere. She loves her country, the warmth of its people and their willingness to help each other, she said, even as she counted about \$1 in sales for the day.

Business was as listless as the breeze, so as the sun moved behind a bank of clouds, she decided to head home.

She had to get up early for work.