
Cuba Passes New Wages Policy for Foreign Company Employees

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Now workers will be able to negotiate wages with their employees.

Aiming to strengthen its economy and worker rights, the Cuban government approved on Tuesday a law that allows employees of foreign companies to negotiate their wages individually.

Before the new law was passed, every Cuban employee wage, including those who work for foreign and joint companies on the island, had to be established by the salary scale provided by the government.

Cuban officials said that with the new changes to the constitution, the nearly 40,000 Cubans who work for foreign companies will now earn no less than 471 national Cuban pesos, the average salary in Cuba during 2013. The minimum wage is 225 pesos.

Officials explained that the base salary for such workers cannot be less than the average salary of the previous year. The new wage also will include a 14 percent charge for social security.

The vice labour minister, Zamira Marin, told the press on Monday that once both sides (employer and employee) agree on the wage, this will be multiplied by two to convert the wage from Cuban pesos to CUC. By law, one CUC equals one U.S. dollar.

With these new reforms, that are part of the major changes that are being introduced by President Raul Castro's administration to increase its economic growth, the Cuban government hopes to attract foreign investment and increase the country's productivity.