



Cuba Reminds Us Why Competition Matters

Cuba is a communist country. That means that every market component that matters is run by the Party faithful, not necessarily people who know what they're doing.

This is typical. Behind the Iron Curtain in Eastern Europe, where I was born, when the Soviets took power, they took control of manufacturing and agriculture. They nationalized everything, putting people in charge based on Party allegiance rather than expertise. As a result, production and quality plummeted, and the people suffered. Many starved to death because the communists ousted the competent agricultural producers they dubbed "capitalists."



Juan Pinzon/iStock/Getty Images Plus Havana, Cuba

Ever since Fidel Castro's communist revolution in 1959, Cuba has been poorer, much poorer, than it once was. Today it can't even keep the lights on. Its power grid has been flickering on and off for many months. But more recently, Cubans have suffered through enduring blackouts for days. They've been thinking of protesting, but that would make matters worse as they'll likely be beaten and thrown in jail.

If you ask the people in charge, they blame the blackouts on an embargo the United States began in 1958. The embargo is the scapegoat for every national ill in Cuba. Nonetheless, it has undoubtedly had an impact.

The embargo against Cuba began with restrictions on weapons. Then in 1960, it was upgraded to include everything but food and medicine. Then in 1962, President John F. Kennedy expanded the embargo to include all imports of products containing Cuban goods, even if the final products had been made or assembled outside Cuba.

But if the country weren't run by communist imbeciles, the people would've long figured out how to improve their standard of living. Cubans have proven to be highly intelligent and efficient when given a chance in a pseudo-free-market society such as the American one.

No Motivation = Poverty

Communism is by nature a monopoly. That means there is no motivation for the people in charge to improve anything because there is no threat to their jobs. Government workers have job security at the expense of everyone else's standard of living. This explains why between 2022 and 2023, three million Cubans have left the island.

Competition is the key to excellence. But when it's stifled, poverty prevails, excellence suffers, and the human spirit is shackled.

This is illustrated in private organizations as well. Organizations that don't hold people accountable for the quality of their work churn out poor work. Organizations that prioritize politics over excellence produce poor work.



Written by Paul Dragu on October 22, 2024



On the other hand, the organizations that make quality a priority are more likely to get rid of the poor performers, the apathetic workers, and the grumblers; those who put in minimal work but expect to receive a full paycheck.

Competition is key to innovation and high standards of living. It's no coincidence that the bigger the government has become in the United States, the worse things have become. The most glaring example is the government's intrusion into healthcare. Insurance premiums are getting more expensive, yet healthcare is getting worse. Why? Because the government got involved. Private insurance costs have skyrocketed as medical facilities burden the productive people with covering the losses from ObamaCare, Medicare, and Medicaid. This demoralized the good doctors and the nurses as well.

America was built on ambition. Ambition is our tradition, Donald Trump said during this year's Republican National Convention. The American economy skyrocketed to dizzying heights in record time because word spread around the world that here the only limit to success is you, the individual.

That tradition has slowly been eroding.

We must make ambition great again, lest we all become like Cuba.





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