



## From the ASCE president

I hope this newsletter finds everyone well. Since the last newsletter, the Board has been busy with several events and outreach efforts.

### XXII Annual Conference

As the date of our annual conference approaches, the Board is increasingly focused on finalizing the preparations for our annual meeting. The 22st Annual Meeting will be held in Miami on August 2–4, 2012, at the Hilton Miami Downtown Hotel on Biscayne Boulevard (where the last few meetings have been held), additional information on the hotel is provided at the end of this newsletter. The theme of the conference is "Where *Cuba is Going?*" on the institutional and policy changes underway in Cuba, as well as in other areas of analysis on the island. A preliminary program is attached. We hope to see all of our members at our annual conference and to have an active participation. We are still looking for chairs and discussants for some of the panels. If you are interested in participating, please send us an email ([asce@ascecuba.org](mailto:asce@ascecuba.org)) with the subject "ASCE CONFERENCE 2012" in the subject line.

Among many distinguished academics, professionals and policymakers expected to attend this year's conference are Professors Jorge Domínguez (Harvard University and ASCE), Richard Feinberg (University of California, San Diego), and Eusebio Mujal-Leon (Georgetown University and ASCE). We are also actively working towards bringing Cuba-based economists and scholars to the conference (as in prior years, funded by voluntary donations, not ASCE general member revenues). As occurred last year, we are expecting strong outside participation from our outreach efforts and the prominence of Cuba's ongoing policy changes.

We would request that you please sign up as early as you can to facilitate our planning and to take advantage of the lower conference and hotel rates. Please take a moment now to fill out the single form for conference registration and membership renewal now (which is attached at the end of this newsletter and is also available at our website).

Best Regards,  
Rafael Romeu

### **CURRENT OFFICERS:**

**President:**

*Rafael Romeu*

**Vice-President:**

*Jorge A. Sanguinety*

**Secretary:**

*Tania Mastrapa*

**Treasurer:**

*Geni Gómez*

**Board of Directors:**

*Rolando H. Castañeda*

*Antonio Gayoso*

*Stephen Kimmerling*

*Luis R. Luis*

*Gary Maybarduk*

*Roberto Orro*

*Jorge Piñón*

*Enrique Pumar*

**Former Presidents:**

*Felipe Pazos*

*Roger Betancourt*

*Jorge F. Pérez-López*

*Armando M. Lago*

*Antonio Gayoso*

*Lorenzo Pérez*

*Sergio Díaz-Briquets*

*Carlos N. Quijano*

*Beatriz Casals*

*Ernesto Hernández-Catá*

*Armando S. Linde*

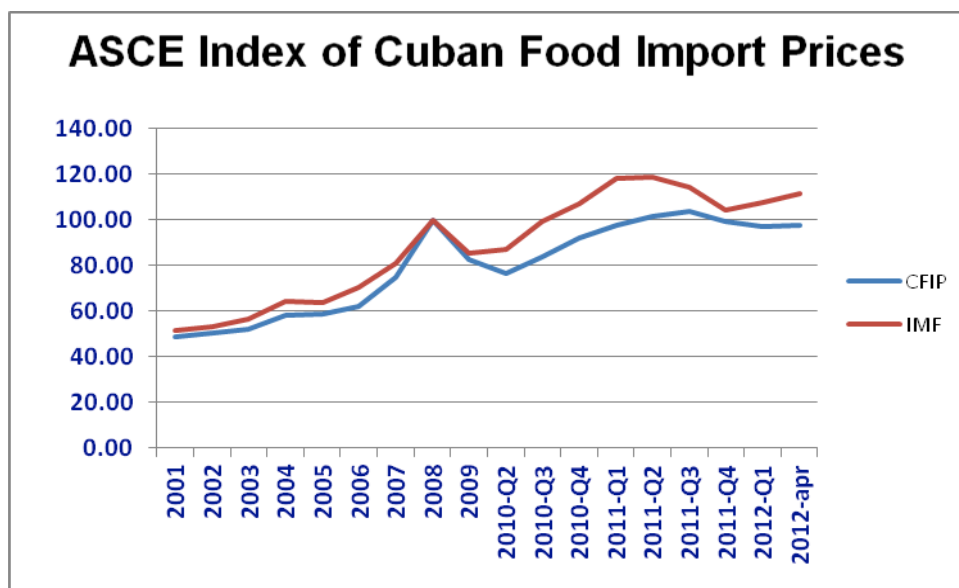
*Jorge A. Sanguinety*



## Some Relief for Cuba on Food Import Prices

By Luis Luis

The price of Cuban food imports peaked in the third quarter of 2011 but fell since that quarter by 5.8 percent as of April 2012, according to the ASCE Index of Cuban Food Import Prices. This is significant good news for the economy that suffers major constraints in its balance of payments and which depends on imports for the majority of its foodstuffs. During the same period the benchmark food price index of the IMF declined 2.5 percent. A 15 percent fall in the price of wheat was the most salient element in the decline, while soft prices of milk and other dairy products helped considerably. The price decline would have been even more significant but for continuing sturdy poultry prices, up some 6 percent since the Fall quarter of 2011. Rice, the largest food commodity import, had stable prices.



Sources: Constructed from IMF and BLS data.

Note: IMF index is the index of food commodity market prices of the IMF

Futures markets for commodities suggest that the relief may not continue in the rest of the year. While the on-going slowdown in the European and US economies have affected the price of industrial commodities so far the impact on foodstuffs is muted. The only major Cuban import with declining price in the December 2012 futures contract is corn at a nearly 8 percent discount below the spot price. All other major contracts relevant to Cuban imports –rice, wheat, milk and coffee – are now trading at a premium over spot prices as gauged by December 2012 contracts. Wheat is at a nearly 7 percent premium while rice trades at 5.7 percent. The December 2013 wheat contract at the Chicago Mercantile Exchange is nearly 18 percent over the spot price implying continuing pressures on this key commodity for the next 18 months.

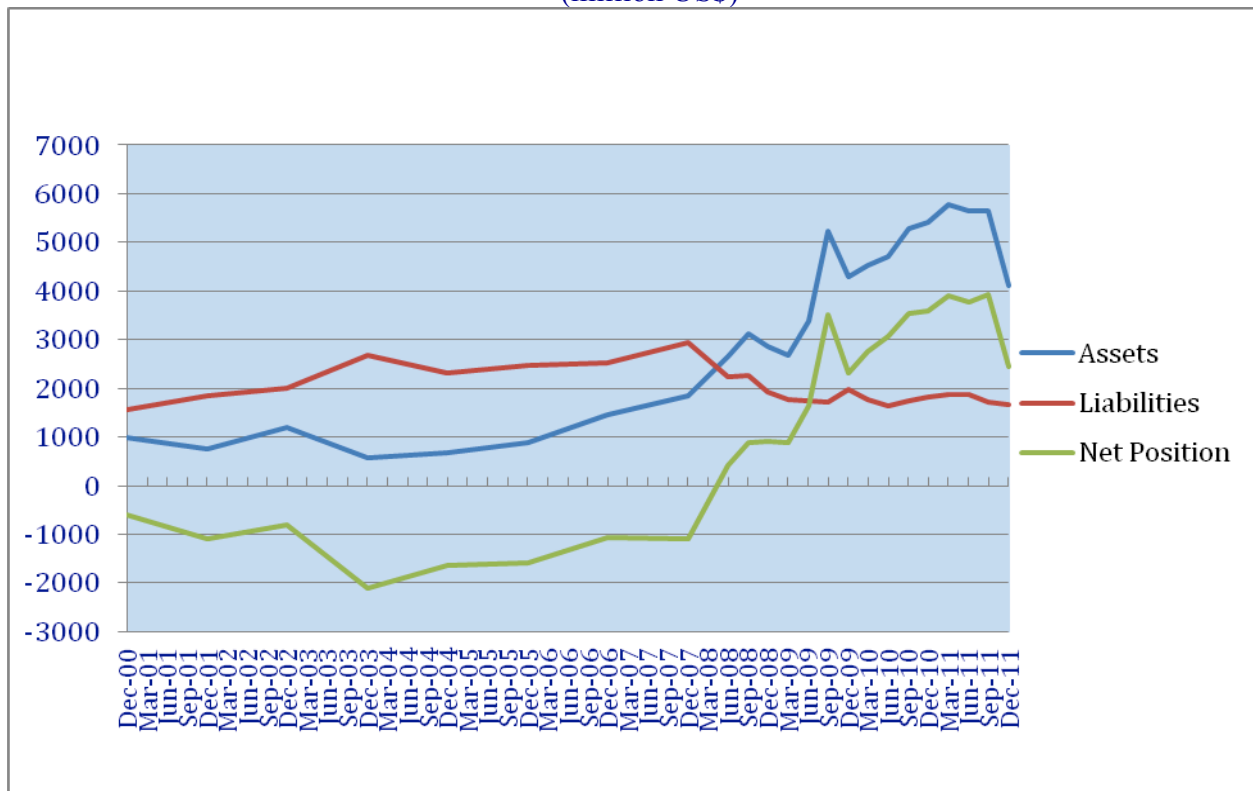


## Cuban Bank International Assets Unexpectedly Decline

By Luis R. Luis

Figures made public on June 4 by the Bank for International Settlements (BIS) show a large unexpected decline in assets of Cuban banks on deposit with banks of 43 countries and financial centers that report to the BIS. Cuban bank assets reached \$5649 million on September 2011, an increase of \$368 million from September 2010, but unexpectedly fell to \$4109 million by the end of December 2011, a 24% decline from a year earlier (Assets – blue line in graph).

### Cuban Bank Assets and Liabilities in International Banks (million US\$)



Source: Bank for International Settlements

Such a massive drawdown of hard currency assets by the Central Bank and other Cuban banks is highly unusual. At the same time total lending by BIS banks to Cuba (Liabilities – red in graph) remained essentially unchanged at about \$1.7 billion.



The precise use of this large and rapid withdrawal of assets, most of which are estimated to be deposited in European banking institutions, is not known. There are three major possibilities. One is the use of reserves to purchase imports of consumption and capital goods. Although official 2011 data has not been released by the government, higher foodstuff prices paid for in hard currencies contributed to a rising import bill. In addition the government probably increased foreign exchange allocations for capital good imports to Cuban government trading companies and other state corporations to stimulate investment including the newly established small proprietorships. Oil imports also rose considerably, but these are financed under special arrangements with Venezuela.

A second possibility is the use of cash to repay outstanding obligations to suppliers and companies operating in Cuba as well as some net amortization of official debt. Available corporate reports from Sherritt International and other large companies operating in Cuba do not show such payments but they could involve non-listed corporations. Amortization to some bilateral export finance agencies is also likely.

The third possibility is that Cuba is shifting assets from European area banks which are reported to the BIS to banks elsewhere. Non-BIS reporting banks include Latin American banks outside of Brazil, Chile, Panama and Mexico, banks in China outside Hong-Kong and most banks in the Middle East. A shift outside of the euro area would reflect perceptive financial management by the Cuban Central Bank given the on-going weakness of the euro and questions about the liquidity of some banks in Europe. It may also reflect a need to collateralize trade finance with demanding partners in Asia and Latin America. Another twist is the possibility that Cuba is diversifying some international assets into gold, although at this time this would be a speculative course of action.

---

### **ASCE and The New School's Joint Spring Meeting**

ASCE and The New School in New York City sponsored a presentation entitled "*Cuba: Today and Tomorrow*" offered by Prof. Jorge I. Domínguez on April 18, 2012 at the New School, in New York City. Jorge I. Domínguez, an acclaimed Cuba and Latin America scholar at Harvard University, discussed potentially transformative changes taking place in Cuba. Following opening remarks by New School president David E. Van Zandt, Mr. Domínguez analyzed recent developments in Cuba and their implications for the country's economy, governance structure, political system, and international relations. After the presentation Prof. Domínguez engaged the participants in an informal discussion of the issues raised in his presentation.

---

### **ASCE Financial Situation**

On a year-over-year basis ASCE is ending May 2012 with a monthly balance of \$40,862 in comparison with \$26,396 at the end of May 2011. Some membership renewals and conference registration/lunch were the dominant revenue items. Also the travel fund has kept its growth momentum. We have no outstanding debt so far.



**Draft 6/11/2012**

**ASSOCIATION FOR THE STUDY OF THE CUBAN ECONOMY (ASCE)  
TWENTY-SECOND ANNUAL MEETING**

**Miami, Florida, August 2-4, 2012**

**PRELIMINARY CONFERENCE PROGRAM  
(subject to change)**

**Thursday, August 2 –AM**

**1. Current Economic and Social Situation**

Chair: Rafael Romeu, ASCE President

Oscar Espinosa Chepe, Independent Economist, Cuba

Marc Frank, Reuters News Agency, La Habana

Omar Everlery Pérez Villanueva, Centro de Estudios de la Economía Cubana (invited)

Eusebio Mujal-León, Georgetown University

**2. Cuba and International Financial Institutions**

Chair: Armando Linde

Richard Feinberg, University of California, San Diego, “Reaching Out: Cuba’s New Economy and the International Response”

Joaquín P. Pujol, “Cuba’s Membership Requirements in the IMF– Uncensored”

Discussants: Lorenzo Pérez; Ernesto Hernández-Catá; Rolando Castañeda

**LUNCH**

**Thursday August 2 - PM (session 1)**

**3. Financial and Macroeconomic Issues**

Chair: Carlos Quijano

Ernesto Hernández-Catá, “The Growth of the Cuban Economy in the First Decade of the XXI Century”

Julio Cerviño, Universidad Carlos III, Madrid, “Market Orientation and Business Performance in Cuban Firms: A Comparative Analysis of State-Owned Versus Joint Venture Cuban Firms”

Luis R. Luis, “Cuba: External Cash Flow, Barter Trade and Potential Shocks”

Pavel Vidal, Centro de Estudios de la Economía Cubana, “Monetary and Exchange Rate Reform in Cuba: Lessons from Vietnam” (invited)

Discussants: Armando Linde; others TBA



#### **4. Social Media in Cuba: The New Public Sphere?**

Moderator: Clara Dominguez, Managing Editor, Latin America Division, Voice of America

Presenters:

Ted Henken, Baruch College

Antonio Gayoso, The George Washington University

Others TBA

#### **Thursday August 2 –PM (session 2)**

#### **5. Agriculture**

Chair: Gary Maybarduk

Tim Ashby and Stephen Kimmerling, “Trade and Agriculture”

Raúl Fernández García, “Los retos que amenazan la agricultura”

Bill Messina, University of Florida, “U.S. Food and Agricultural Exports to Cuba: Progress, Problems and Prospects”

Armando Nova, Centro de Estudios de la Economía Cubana, “La agricultura cubana y el actual proceso de transformaciones económicas” (invited)

Discussants: Antonio Gayoso, Mario González-Corzo

#### **6. Iglesia, Religión y Reformas en Cuba**

Moderator: Tomas Bilbao, Cuba Study Group

Orlando Márquez, editor de *Palabra Nueva*, revista de la Arquidiócesis de La Habana, “La Iglesia como puente de acercamiento” (invited)

Javier Figueroa, Universidad de Puerto Rico, “Una aproximación histórica a las relaciones actuales entre la Iglesia Católica y el estado cubano”

Teo A. Babún, Jr., Director Ejecutivo, ECHOcuba, “El crecimiento de la Iglesia Protestante y la libertad de religión”

Comentaristas: Enrique Pumar, Lorenzo Pérez

#### **Friday, August 3 – AM (session 1)**

#### **7. The Cuban Diaspora**

Chair: Carlos Quijano

Manuel Jorge Cutillas, President, Chief Executive Officer and Chairman of the Board of Bacardi Limited, retired (invited);

Guillermo Martinez, South Florida Sun-Sentinel, Co-Auhtor: *Cubans: An Epic Journey, The Struggle of Exiles for Truth and Freedom*

Leonardo Rodriguez, Professor Emeritus of Business and Finance, Florida International University, Co-Auhtor: *Cubans: An Epic Journey, The Struggle of Exiles for Truth and Freedom*



## 8. Property Rights

Chair: Raúl Valdes-Fauli

Rolando Anillo, "Propiedad y migración"

Antonio Zamora, "The Impact of Cuba's New Real Estate Laws on the Island and the Diaspora"

Larry Catá Backer, Pennsylvania State University, "Organizing Cuban Economic Enterprises in the Wake of the *Lineamientos*—Property Rights in Economic Organization Between Corporations, Cooperatives and Globalization"

Daniel Buigas, Indiana University Law School, "Cuentapropistas after the Sixth Congress of the Cuban Communist Party: Analyzing and Evaluating Cuba's Current Laws and Regulations"

Discussant: José Gabilondo, Law School, FIU

## Friday AM (session 2)

### 9. Student Papers

Chair: Enrique Pumar, The Catholic University of America

Student participants to be announced

### 10. Economic Reforms and Their Effects (I)

Chair: Oscar Echevarría

Rafael Romeu and Gabriel DiBella, IMF, "Fiscal and Structural Policies Twenty Years After Transition"

Vegard Bye, Norwegian Institute of International Affairs, "The Political Economy of Cuban Transition: Political Impact of Economic Reforms"

Rolando Castañeda, "Cuba 2012: The Likely End of Soft Reforms in Hard Times"

Domingo Amuchástegui, "From Chaos to a Socialist Market Economy: A Contribution to the Understanding of Current Changes and Developments in Cuba"

Discussants: Peter Brennan, U.S. Department of State; others TBA

## ASCE Luncheon

### Ernesto Betancourt Keynote Lecture

Jorge Domínguez, Harvard University



### Friday PM (session 3)

#### 11. Historical Cuba

Chair: Jorge Sanguinety

Ilan Ehrlich, "The 1950 Midterm Elections: Cuba's Last Democratic Poll"

Jorge Luis Romeu, "To Hell in a Handbasket"

Eric N. Baklanoff, University of Alabama, "Spanish Immigrants and Economic Development in the Cuban Republic, 1902-1959"

Discussants: Jorge Sanguinety, Roger Betancourt

#### 12. Política Migratoria en Cuba

Moderador: Álvaro Botero, Relatoría sobre Derechos de los Migrantes, Comisión Interamericana de Derechos Humanos (CIDH), Organización de Estados Americanos (OEA).

Panelistas: Juan Antonio Blanco, Cuban Research Institute, Florida International University

Carmen Díaz, University of Miami

Haroldo Dilla, Universidad de Santo Domingo

Wilfredo Allen, Attorney

### Friday PM (session 4)

#### 13. Demography and Public Health

Chair: Maria Werlau

Javier Corrales and Christopher Morrison, Amherst College, "Are Cuban Women Voting with their Wombs? An Economic Examination of Cuba's Low Fertility Rates"

Gabriel DiBella and Rafael Romeu, IMF, "The Fiscal Sustainability of Aging Costs and Demographic Change in Cuba"

Elaine Scheye, "Why is Biotechnology a Crown Jewel and Yet Cubans Can't get a Prescription Filled?"

Rodolfo Stusser, "Cubans' Access to Health and Other Living Standards: Perception vs. Reality"

Discussants: Sergio Díaz-Briquets; others TBA

#### 14. International Economic Relations and Oil

Chair: TBA

Rolando Castañeda, "Venezuela: Economic Situation in 2012 and Its Immediate Prospects"

Carlos A. Romero, Universidad Central de Venezuela, "Rentismo y petróleo entre Cuba y Venezuela"

Roger Betancourt "Oil and Democracy in Cuba: Is Cuba Going toward Nigeria or toward Norway?"

Discussants: Roberto Orro; Emilio Morales; others TBA





**Saturday, August 4 – AM (session 1)**

**15. Special Topics (I)**

Chair: TBA

Joseph L. Scarpaci, West Liberty University, “Malling Havana”

Michael J. Strauss, Centre d'Etudes Diplomatiques et Stratégiques, Paris, “Does Cuba Share Responsibility for Human Rights at Guantanamo Bay?”

Dawn Gable, George Washington University, “*Habana Eva*: Art as Propaganda”

Discussants: TBA

**16. Economic Measurement Issues**

Chair: TBA

Luis Locay, University of Miami, “Cuban Household Consumption: An Update”

Bryan Roberts, “Food Consumption in Cuba, 1961-2010”

Jorge Pérez-López, “Cuban Labor Market Statistics: Availability and Interpretation”

Mario González-Corzo, Lehman College, “Measuring Cuba’s Agricultural Transformations: Preliminary Findings”

**Saturday, AM (session 2)**

**17. Self-Employment, Cooperatives and Solidarity Associations**

Chair: TBA

Ted Henken, Baruch College, “Out of the Underground? Comparing Self-Employment Regulations in Cuba Under Fidel (1993-2006) and Raul (2006-2012)”

Antonio Gayoso, “Las nuevas cooperativas en Cuba: Solución o Desidia”

Julia Sagebien and Paolo Spadoni, “Can Non-State Enterprises be the Champions of a Social Economy in Cuba?”

Discussants: Felipe Manteiga; others TBA

**18. Special Topics (II)**

Chair: TBA

Jorge Sanguinety, “The Future of the City of Havana: An Economic Dimension”

Armando Linde, “A Journey into the Mind of Raúl Castro”

Juan Tomás Sánchez, “Where is Cuba Going? Perspectives from the Island”

Discussants: TB



ASSOCIATION FOR THE STUDY OF THE CUBAN ECONOMY

PO Box 28267  
Washington, DC  
20038-8267

Name: \_\_\_\_\_  
Affiliation: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-Mail: \_\_\_\_\_  
Phone: \_\_\_\_\_

**MEMBERSHIP INFORMATION \***

- A) Regular member \$90
- B) Contributing member \$91–\$200
- C) Sponsor \$201–\$350
- D) Benefactor over \$350
- E) Student \$25
- F) Lifetime \$2,500

Questions?  
Contact us:  
asce@ascecuba.org

**CONFERENCE REGISTRATION**

<u>Pre-registration</u> (No later than July 15) <sup>†</sup>	<u>ASCE Member</u>	<u>Non-Member</u>
Conference fee	\$75 <input type="checkbox"/>	\$175 <input type="checkbox"/>
Official Lunch (Limited capacity—reserve early)	\$45 <input type="checkbox"/>	\$45 <input type="checkbox"/>
Cuba in Transition, Vol. 22 Printed (Pre-order) <sup>§</sup>	\$25 <input type="checkbox"/>	\$60 <input type="checkbox"/>

<u>Registration</u> (Past July 15)	<u>ASCE Member</u> <sup>‡</sup>	<u>Non-Member</u>
Conference fee	\$100 <input type="checkbox"/>	\$200 <input type="checkbox"/>
Official Lunch (Limited capacity—reserve early)	\$50 <input type="checkbox"/>	\$50 <input type="checkbox"/>
Cuba in Transition, Vol. 22 Printed (Pre-order) <sup>§</sup>	\$25 <input type="checkbox"/>	\$60 <input type="checkbox"/>

Total enclosed: \_\_\_\_\_

Please make check to “ASCE” and send registration form to:  
ASCE, PO Box 28267 Washington, DC 20038-8267

All participants should pre-register for the Conference

\* Membership in ASCE is renewed on an annual basis and runs from July 1, 2012 – June 30, 2013.

<sup>†</sup> To enjoy pre-registration benefits, payment must be postmarked no later than July 15, 2012.

<sup>‡</sup> To obtain ASCE members registration rates, dues for 2012–2013 must be paid before the meeting.

<sup>§</sup> Hardcopies of “Cuba in Transition” volumes are available for \$80 in ASCE’s website [www.ascecuba.org](http://www.ascecuba.org). Starting with the 21<sup>st</sup> volume, members are entitled to a free CD/DVD version of the Annual Proceedings.



## HILTON MIAMI DOWNTOWN HOTEL INFORMATION

**Room Group Rate:** The Hilton Miami Downtown is offering a room group discount of \$99.00 per night (plus 13% tax) from August 1 thru August 5 for those attending the ASCE Conference.

**Reservations:** Individuals Calls for reservation will be made to 800-HILTONS.

**Reservation Due Date:** To secure your room at the discounted group rate, reservations should be made directly with the hotel no later than July 19, 2012.

**Location:** 1601 Biscayne Blvd, Miami, FL 33132.

**Parking:** A discounted parking is offered too for attendees not staying at the hotel (self-\$12, valet-\$15).

**Neighborhood:** Walking-distance amenities nearby the Hilton Miami Downtown include the new Adrienne Arsht Center for the Performing Arts (Formerly Carnival Center); Miami-Dade Cultural Center; Gusman Center for the Performing Arts; and Bayside Market Place.

**Metromover:** The Omni loop of the free Metromover has its Adrienne Arsht Center Station just one block from the hotel.

**Connecting Metrobus Service:** 3, 16, 32, 36, 48, 62, 95x, 120, A (101), C (103), M (113), S (119), Flagler MAX (51), Biscayne MAX (93)

Map:

