

THE DIASPORA AS A COMMERCIAL NETWORK FOR CUBAN RECONSTRUCTION

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The Cuban diaspora¹ is quite large. Based on a compilation of national population censuses by the Development Research Centre on Migration of the University of Sussex, Díaz-Briquets (2006) estimated that there were approximately 1 million Cuban-born individuals residing abroad at the turn of the 21st century.² The progeny of these individuals, who are also part of the Cuban diaspora, can be estimated at some 460,000 individuals, for a Cuban diaspora at the turn of the century of over 1.4 million persons.³ Considering that emigration of Cubans has continued—and even speeded up—since 2000, it is reasonable to estimate that the Cuban diaspora consisted of more than 1.5 million persons in 2007.⁴

The Cuban diaspora possesses the affective, technical, and economic wherewithal to make positive contributions to Cuba's economic development. Under a different political system in the island, the diaspora could contribute to the reconstruction of Cuba's economy not only through continuation and even expansion of private transfers (remittances) but also through the establishment of small businesses, two-way trade relations, foreign direct investment, travel and tourism, and transfer of professional and managerial skills.

In this paper, I will focus on three of the ways in which the diaspora could contribute to Cuba's economic development, namely business linkages, trade

1. I use the term diaspora as short-hand for what Sheffer (2003:9) calls an ethno-national diaspora, that is "a social political formation, created as result of either voluntary or forced migration, whose member regard themselves as of the same ethno-national origin and who permanently reside as minorities in one or several host countries. Members of such entities maintain regular or occasional contacts with what they regard as their homelands and with individuals and groups of the same background residing in other host countries. Based on aggregate decisions to settle permanently in host countries, but to maintain a common identity, diasporans identify as such, showing solidarity with their group and their entire nation, and they organize and are active in the cultural, social, economic, and political spheres. Among their various activities, members of such diasporas establish trans-state networks that reflect complex relationships among the diasporas, their host countries, their homelands, and international actors."

2. Díaz-Briquets (2006, 396) actually compiled a figure of 955,787 Cuban-born individuals residing abroad around 2000, of which 89% resided in the United States and the rest in other countries, primarily Spain. He posits that this is actually a lower level estimate, as information for many countries where Cuban-born persons are known to reside, was not available for 2000. Díaz-Briquets grossly estimated that the number of Cuban-born persons residing abroad at the turn of the century was about 1 million.

3. This estimate is based on the shares of Cuban-born and U.S.-born Cubans in the 2000 U.S. Census of Population.

4. According to statistics of the U.S. Department of Homeland Security (2007), a total of 167,260 Cuban-born individuals were legally admitted into the United States during fiscal years 2001–06; similarly, Spain's Instituto Nacional de Estadística reports that 82,596 persons born in Cuba resided in Spain on January 1, 2007, compared with 50,765 on January 1, 2001, for an increase of 31,831 persons over the six-year period. See <http://www.ine.es/inebase/cgi/axi>

and investment flows, and travel and tourism.⁵ For these mechanisms to work, the web of politically-motivated restrictions on the movement of goods, capital, and persons between Cuba and foreign countries that currently exists—as a result of actions by the Cuban government and by foreign governments—would have to have disappeared, and normal diplomatic and commercial relations prevail. Thus, the paper assumes that the Cuban government recognizes basic personal freedoms, individual property rights, and the basic tenets of a free market economy for Cuban citizens and foreigners, at the same time that the existing diplomatic, financial, and commercial sanctions imposed by the United States and other foreign countries have been lifted.

BUSINESS LINKAGES

The Cuban diaspora could accelerate the establishment of business linkages between the island and the world economy and facilitate the former's integration into world markets. Particularly during the transition, business networks between the diaspora and counterparts in the island could help stimulate the formation and growth of small and medium enterprises (SME) in Cuba.

The entrepreneurial proclivity of Cuban diasporans in the United States is well established. According to the 2000 U.S. Census of Population, 11.8% of Cuban-Americans were self-employed, two percentage points higher than the rate for the U.S. population at large (9.8%).⁶ Meanwhile, statistics from the 2002 Survey of Business Owners conducted by the U.S. Bureau of the Census (2006), indicate that in that year there were 151,688 nonfarm businesses owned by Cubans in the United States,⁷ employing about 206,000 workers, and generating over \$35.4 billion in business revenue. Nearly three-quarters of these

firms (74.4%) were located in the State of Florida, followed by California (6.0%), New York (4.0%), New Jersey (3.7%), and Texas (2.9%).

Locay and Sanguinetti (1996) have advanced the notion that the policies pursued by the Cuban socialist government that impelled many would-be entrepreneurs to leave the country are responsible for the high incidence of entrepreneurship among Cuban-Americans. Their hypothesis, for which they found some support through the analysis of self-employment microdata from the 1990 U.S. census, was “that emigration from Cuba has tended to select out persons with higher than average entrepreneurial skills” (1996:324). This might help explain—together with other more conventional factors⁸—high business-ownership rates among Cubans in the United States.

Cuba's SME Sector: Cuba's SME sector vanished in the 1960s, victim of the collectivization process implemented by the socialist regime. Large enterprises—sugar mills, large commercial agricultural estates, factories, transportation companies—were the early targets of the nationalization process, but by the mid-1960s, medium size enterprises had followed the same fate. The revolutionary offensive of 1968 resulted in the government takeover of over 55,600 small private businesses, including retail food outlets (corner grocery stores, butcher shops, vegetable and fruit stands); personal services providers (laundries, barber shops, boarding houses, repair shops); restaurants, bars, and coffee shops; and retail stores (clothing and shoe stores, florist shops), and essentially eliminated private businesses in Cuba. Only in agriculture and transportation did a limited number of private farmers and private cargo handlers remain.

5. For a very useful, policy-oriented, survey of the literature on economic linkages between diasporas and home countries, see Johnson and Sedaca (2004).

6. These self-employment rates were computed from the U.S. Census of Population Summary File 4, Table PCT 87, Sex by Industry by Class of Worker from the Employed Civilian Population 16 Years and Over. It aggregates self-employed in own incorporated businesses and self-employed workers in own not incorporated businesses.

7. The Survey of Business Owners defines Hispanic-owned businesses as firms in which Hispanics owned 51 percent or more of the stock or equity of the business. This is the definition used to identify Cuban-owned businesses.

8. For example, see Wilson and Portes (1980); Peterson and Roquebert (1993); Peterson (1995); and Peterson and Meckler (2001).

Table 1. Cuban Employment (*thousand workers*)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total employment	3839.8	3,585.0	3,626.7	3,705.2	3,753.6	3,821.3	3,843.0	3,968.9	4,024.1	4,073.9	4641.7 ^a	4722.5 ^a
State sector	3134.6	2,902.8	2,940.7	2,984.1	2,985.7	2,979.0	2,978.2	3,039.0	3,086.3	3,104.9	NA	NA
Non-state sector	705.2	682.2	686.0	721.1	767.9	842.3	864.8	929.9	937.8	969.0	NA	NA
Of which: self-employed	121.1	138.1	120.0	129.2	112.9	156.6	153.3	152.3	152.9	151.0	166.7	169.4
Self-employed/employment (%)	3.2	3.9	3.3	3.5	3.0	4.1	4.0	3.8	3.8	3.7	3.6	3.6

Source: AEC 2005 and earlier issues.

a. The employment data for 2004 and 2005 are on a different base from 1994–2003 and the two sub-series are not comparable.

For more than four decades, hundreds of thousands of Cubans have risked the wrath of the socialist state by engaging in what in nearly any other national setting would have qualified as market-driven activities: underground economic activities that fell outside of state-regulated activities (Pérez-López 1995; Ritter 2005). Evidence of this suppressed entrepreneurship was the overwhelming response that followed the government announcement in September 1993 that self-employment in some 100 service occupations would be legalized.

According to official statistics, there were approximately 26,500 self-employed workers in the island at the close of 1989 (CEE 1989:111).⁹ Referring to the liberalization of self-employment in 1993, economist Jatar-Hausmann (1999:97) writes:

The initial reaction to the liberalization of services was impressive. By December 1993, just a few months after its legalization, 70,000 Cubans had obtained licenses for self-employment. In February 1994, however, the government acted to control the burgeoning sector by issuing a list of infractions—including working in unauthorized activities and hiring middlemen—punishable by fines of up to 1,500 pesos. According to various sources, the sector continued to expand rapidly and numbered between 110,000 and 160,000 by December 1994. ... By the end of 1995 the number of Cubans with self-employment permits reached approximately 208,000 workers, over five percent of the island's four-million-person labor force. According to some official estimates, another 200,000 are working in similar activities but without permits.

The number of registered self-employed workers fell significantly since then as a result of prohibitive fees and taxes imposed by the government, intended to curtail the sector's growth. According to statistics from the Ministry of Labor and Social Security, registered self-employment was under 160,000 in January 1998 (Ritter 2004:122). It is quite likely that the lower registered self-employment numbers reflect, in part, the fact that some workers simply may have shifted away from registered self-employment and into (un-registered) black market activities.

Cuban economic statistics are riddled with ambiguities, inconsistencies, and contradictions. Employment statistics are no exception. Table 1 shows official overall employment, state sector employment, non-state sector employment, and self-employment statistics for the period 1994–2005. In particular, it is worth noting that self-employment levels in Table 1 are substantially lower than those reported by the Ministry of Labor in the mid-1990s, when self-employment registrations peaked. Cuban statistical sources do not offer an explanation for this difference.

It is clear from Table 1 that over the period 1994–2005, self-employment accounted for a relatively small share of total employment in the island (ranging from 3.2% to 4.2%) and over three-quarters of employment was in the state sector. As the Cuban economy transitions away from socialism and state ownership and control of productive resources, state sector workers will seek better-paying opportunities through self-employment. The strong supply re-

9. There was a hiatus in the publication of Cuban statistics between 1989 and 1994 as a result of the economic crisis that enveloped the island at the start of the 1990s with the dissolution of the socialist community of nations and eventually the disappearance of the Soviet Union. As a result, it is nearly impossible to compile time series data that span the 1980s and 1990s.

sponse to the legalization of self-employment in 1993, coupled with the very large number of underemployed and poorly-paid workers in the state sector and the ubiquitous second or informal economy, suggest that, with the proper policies and incentives in place, Cubans in the island would give free rein to their entrepreneurial spirit by engaging in self-employment and creating small businesses.

The Diaspora and Cuban SMEs: It is apparent that among the Cuban population residing in the island—like for their Cuban-American counterparts—there is a strong appeal to be self-employed or to own small businesses. There are three fundamental ways in which SMEs can make a positive contribution to Cuba's economic reconstruction: (1) generating employment by virtue of their high employment-intensity; (2) contributing to the country's economic growth through efficient economic activity; and (3) deepening the privatization process by turning a large share of the population into private entrepreneurs (Gayoso 1999: 61).

The Cuban diaspora could do much to energize the small business sector in Cuba. In the United States, firms owned by Cuban diasporans are found practically across all U.S. industrial categories, from services to manufacturing. They possess management, production and technical know-how that, if properly marshaled, could inject life to an emerging small business sector in the island over a relatively short period of time. By virtue of their presence in, and knowledge of, the United States market—in South Florida and elsewhere—firms owned by Cuban diasporans could act as conduits for new export lines produced in the island and help channel business opportunities to Cuba (e.g., tourism, once the U.S. embargo is lifted).

With 2002 sales and receipts in excess of \$35.4 billion, U.S.-based Cuban-owned firms have the financial resources to support the emergence of small firms in the island, both in terms of start-up capital

as well as operating funds until the new firms become self-sufficient. Furthermore, U.S.-based Cuban-owned firms should readily be able to find potential business partners in Cuba among self-employed workers or among citizens experienced in conducting informal economic activities to create business networks that could promote business opportunities. The vast majority of small firms in the United States begin as private ventures of self-employed individuals. Those that prove to be successful eventually graduate into the category of firms with paid employees, a concept anathema to Cuba's current political leadership. More heavily capitalized U.S.-based Cuban-owned firms also have considerable potential as investment partners for start-up firms in the island.

Thus, the Cuban diaspora could form the basis for a transnational business network¹⁰ that could have a favorable impact upon the island's economy. This would be particularly so with regards to the largest transnational corporations owned or controlled by diasporans that already operate within the global economy.

Gayoso (1999:62) has provided a list of policies that a future Cuban government could implement to promote the growth of the small business sector; these should prove equally attractive to Cuban diasporans as to budding Cuban entrepreneurs. They include a macro economic environment aimed at stability and growth, sound and transparent fiscal policies, and efficient markets that foster competition. Also important is a legal setting that defines and protects private property rights, adequate regulatory frameworks, business development institutions, and an efficient system for disseminating markets and policy information.

Were the requisite political changes and a favorable market oriented environment tolerant of property rights and business competition to occur, a positive, spontaneous response from the Cuban business

10. Podolny and Page (1998:59) define a network form of organization as "any collection of actors ($N \geq 2$) that pursue repeated, enduring exchange relations with one another and, at the same time, lack a legitimate organizational authority to arbitrate and resolve disputes that may arise during the exchange."

community abroad would be fast in coming and transborder business networks would materialize very soon. But much can be done to encourage Cuban diasporan firms to form partnerships with budding Cuban entrepreneurs or establish new firms. Measures could include:

- the establishment of an institution to promote joint business ventures;
- tax incentives (in foreign countries, Cuba, or both) to encourage diasporan firms to explore business opportunities in Cuba; and
- commerce and investment opportunity fairs in different locations where there are significant concentrations of diasporan businessmen.

The experience of the Small Business Administration (SBA) in promoting the SME sector in the United States could be of utility in a post-transition Cuba. For example, joint programs between the U.S. Agency for International Development and SBA could bring to bear the financial wherewithal of the former with the technical expertise of the latter to encourage the establishment and growth of the Cuban small-business sector at the national, regional and local level. These programs could include diasporan entrepreneurs willing to transfer skills and/or making investments in Cuba.

TRADE AND INVESTMENT LINKAGES

Empirical studies of several countries and regions with significant immigrant populations have established the positive effects of immigration on trade between immigrants' host and home countries. Lack of information about foreign markets and of familiarity with ways of doing business in the foreign country and lack of trust about the foreign partner's likelihood to perform contractual commitments act as informal barriers to international trade. Ethnic or immigrant networks, which provide information about home-country market opportunities, product availability, language, business practices, and legal environment as well as informal mechanisms to enforce contracts, reduce transaction costs and promote international trade. Thus, ethnic networks contribute to overcoming informal barriers that inhibit trade, such as inadequate information about

trading opportunities and weak enforcement of international contracts (Rauch 2001:1177).

Gould's (1994) analysis of United States bilateral trade with 47 trading partners for the period 1970–86 found that U.S. immigrants' links to their home countries enhanced bilateral trade between the United States and the migrants' home country. Dunlevy and Hutchinson (1999) found that the stock of migrants played an important role in determining the volume of U.S. imports over the period 1870 to 1910. Meanwhile, Bandyopadhyay et al. (2005) studied the effect of ethnic or immigrant networks on U.S. exports at the state level and found support for the proposition that such networks affect international trade flows.

Head and Ries (1998), using a gravity model, analyzed Canada's trade with 136 trading partners during the period 1980–92. They found a strong association between immigration and trade flows. In subsequent work (Wagner et al. 2002), these authors analyzed data on each Canadian province's trade with each foreign country and on immigration to each province from each foreign country and found support for their earlier findings.

Girma and Yu (2000) analyzed the impact of migrants from Commonwealth and non-Commonwealth countries on U.K. trade for the period 1981–93 and found that immigration from non-Commonwealth countries had a positive effect on trade flows. Combes et al. (2005) modeled interregional trade flows between 94 French regions for 1993 in an effort to investigate the role that business and social networks played in shaping such trade flows. They concluded that migrants had a significant and positive impact on trade flows, as did also business networks. Finally, Parsons (2005) used a gravity model to examine the impact of East-West European immigration on bilateral trade flows of the 15 member countries of the European Union (EU-15). His findings suggest that immigration from the East (from Eastern European nations) to Western Europe exerted a positive influence on EU-15 imports and exports.

Co-Ethnic Networks: Following Rauch (2001), co-ethnic networks are communities of individuals or businesses that share a demographic attribute such as ethnicity or religion. These co-ethnic networks often take the form of “trade diasporas,” which are ethnic or religious groups with settlements at endpoints and transshipments points of a trade route. Co-ethnic networks facilitate trade and investment across polities by transmitting information about current and future commercial opportunities (e.g., the transnational community of Indian engineers that facilitated outsourcing of software development from Silicon Valley to Bangalore) or by building, or substituting for, trust when contract enforcement is weak or non-existent (e.g., the transnational *hawala* system of money exchange used widely in the Arab world and in Asia).

Perhaps the most successful, and certainly the most widely studied, transnational networks are the overseas ethnic Chinese networks. Often referred to as *guanxi*, ethnic Chinese networks are based on culturally-embedded ideas among Chinese of reciprocity, mutual trust, and obligation (Mitchell and Hammer 1997:79). These networks originated from the practice, going back many centuries, of Chinese merchants to establish themselves away from their home country—in Malaysia, Thailand, Indonesia, among other countries—while remaining culturally Chinese. Kinship, dialect, or a common origin provided the overseas Chinese a basis for mutual trust in business transactions, even if conducted at great distances (Weidenbaum and Hughes 1996: 28–29).

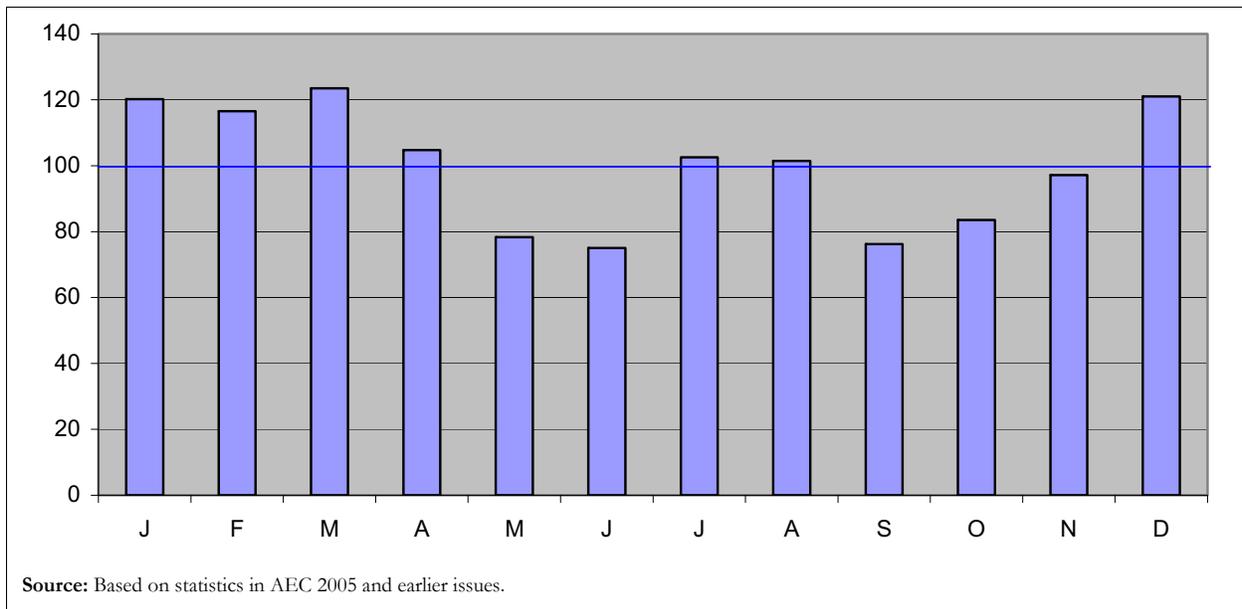
The ethnic Chinese networks promotes trade by providing market information and matching and referral services, using co-ethnic business societies to keep knowledge of network members’ characteristics fresh (Rauch 2001:1186). Rauch and Trindade (2002) estimated empirically the effects of ethnic Chinese networks using a gravity model of bilateral trade between 63 countries. They concluded that Chinese networks had a quantitatively important impact on bilateral trade through the mechanisms of market information and matching referral services, in addition to their effect through community enforcement of sanctions that deter opportunistic behavior. The im-

pact of Chinese ethnic networks on bilateral flows was greater with respect to differentiated products than to homogeneous products.

According to experts, the ethnic network has been responsible for a great deal of China’s recent economic growth. As of the mid-1990s, it was estimated that two-thirds of foreign investment in China originated from Hong Kong’s Chinese entrepreneurs; these investments extended over 17,000 businesses and 25,000 factories employing over 6 million Chinese. As two China experts put it: “China is the factory, and Hong Kong is the storefront” (Weidenbaum and Hughes 1996: 65).

The Cuban Diaspora and Commercial Relations: The large Cuban diaspora could facilitate two-way trade with the island. Capitalizing on their familiarity with the island’s institutions, markets, and ways of doing business, the diaspora could stimulate exports from their host countries to the island, as well as imports to their host countries from the island. Diasporans could be a source of credit to finance exports to the island from their host countries, particularly early on in the transition when Cuba’s import capacity is likely to be limited, and of imports of differentiated products into their host countries from the island. As trade relations normalize and the island’s export capacity recovers, diasporans are likely to switch their demand for food and cultural products to the island and away from other countries in the region (e.g., the Dominican Republic, Central America) that have been providing such goods.

Cuban diasporans also could potentially play the role of “first movers,” i.e., investors who would move into the Cuban market early on in the transition and by their presence and example, change market expectations and advance the flow of foreign direct investment from more conventional sources (Freinkman 2001). Within the dynamics of the early transition—a situation likely to be characterized by great uncertainty and very high economic risks—first movers are important because they provide behavioral models for the rest of the economic agents and consolidate reform coalitions that push for further reforms. The networks between Cubans abroad and local entrepreneurs would reduce overall

Figure 1. Seasonality of Cuban Tourism, 1993–2005

investment risks for diasporan first movers, giving them the opportunity to become leaders and partners of the local private sector.

TRAVEL AND TOURISM

In the 1990s, tourism was Cuba's economic growth engine. Drawing on domestic resources and capital from hospitality firms from Spain, France, Canada, and other nations, over the last fifteen years Cuba has expanded significantly its tourism infrastructure in the form of construction of hotels, roads, airports, cruise ship port facilities, and so on. Hotel and motel rooms grew from 24,262 in 1993 to 44,624 in 2005 or by nearly 84% (ONE 2005). Approximately two-thirds of hotel rooms are of quality suitable for international tourism (Quintana et al. 2005:144).

Cuba's current international tourism offerings cater to the "sun and sand" mode of tourism. Tourism facilities are located primarily in several "tourism poles"; the most significant tourism poles in 2005—in terms of number of hotels, number of rooms, and lodging capacity—were Varadero and Ciudad Habana, with 30.4% and 26.7%, respectively, of rooms suitable for international tourism, followed by Holguín with 9.5%, Ciego de Avila with 8.7%, Santiago de Cuba with 4.8%, and Cayo Largo del Sur with 1.2% (ONE 2005).

International tourist arrivals in Cuba are highly seasonal. Figure 1 shows monthly tourist arrival statistics for 1993–2005 compared to average monthly tourist arrivals for each year (i.e., based on a monthly seasonality index, with annual average=100). It is clear from the figure that Cuba has a well-defined peak tourist season—December to March—that coincides with winter in the northern hemisphere. During this four-month period, international tourist arrivals run 15–20% above the average of monthly arrivals for the year as a whole. There is also a shorter, and less intense, summer season—July and August—that coincides with the traditional school vacation period in the northern hemisphere, when arrivals are 4–5% above the average of monthly arrivals for the year. Particularly in the months of May–June and September–October, tourist arrivals drop off significantly, falling to as low as 75–80% of the monthly average and tourism facilities are severely underutilized.

Encouraging Diaspora Travel and Tourism: The Cuban diaspora could provide a stream of visitors to the island during the time periods when the flow of foreign tourists ebbs, thereby raising the capacity utilization of infrastructure throughout the year and providing employment opportunities for tourism workers during the current off-peak periods. Cuban

diasporans living abroad returning to the island to visit relatives or as tourists for cultural or family reasons may be more flexible with respect to the time within the year when they travel to the island. The ability to travel to Cuba bringing a personal automobile (e.g., by reestablishing auto ferry services to Cuba from two or three Florida locations or from Mexico) might also be an incentive to stimulate off-peak diaspora travel.

For example, Cuba could market to the diaspora travel and tourism to the island related to special cultural, religious, and historical events.¹¹ High among these are the *carnavales* (traditionally held at different times in different towns), patron saint day celebrations of towns, and national religious and patriotic holidays. Because these events would be held throughout the island rather than in La Habana or Varadero—the two locations most frequently visited by foreign tourists—they would have the added advantage of promoting tourism in the interior of the nation.

In addition to *carnavales*, other cultural events that could attract diaspora travel and tourism include music and dance festivals, plastic arts exhibits, book fairs, and literary contests, and sports competitions. Cultural or religious festivals could be organized at the municipal level to encourage emigrant tourism building on the network already established by *Municipios de Cuba en el Exilio*, an organization based in Miami that coalesces individual associations of residents and friends of each of the 126 municipalities that existed in pre-revolutionary Cuba.

Professional associations based abroad that deal exclusively or importantly with the study of Cuba and Latin America could be encouraged to hold meetings and conventions in the island. Cuba has considerable experience in holding international meetings and conventions and an infrastructure in place that could support convention-related tourism. The *Palacio de*

Convenciones (Palco) in Havana, built in the mid-1980s, features an auditorium capable of seating 1500 persons and a dozen meeting rooms with capacity from 25 to 400 persons, translation, word processing, and reproduction services, and a four-star hotel.¹²

Senior Tourism: A particularly desirable cohort of tourists would be diasporan senior citizens and retirees, who have a great deal of flexibility in arranging their schedules. An attractively-priced vacation package that might include the option of renting additional rooms for relatives in the island to also enjoy the facilities (recall that Cuban citizens by and large have been kept out of these facilities under the revolutionary government's tourism "apartheid" policy) would ensure that members of the diaspora travel to the island and use the tourism facilities rather than to crowd the over-taxed private housing stock.

Senior citizens consider their medical needs when making tourism decisions since many suffer from chronic conditions and want to be reassured that they will have easy access to adequate health care facilities that could address their medical needs at reasonable or no cost. Cuba, of course, has a large medical services infrastructure and has developed some tourism facilities that cater to health tourism, but diaspora pensioners may not have the financial capacity to cover expensive medical interventions.

A policy initiative that the diaspora might undertake is to lobby within their settlement countries to have their health care plans cover potential services that might demand while touring in the island. For example, the Cuban-American community could lobby the U.S. Congress to grant a waiver for Medicare services to be provided in Cuba, perhaps through existing South Florida-based health maintenance organizations (Díaz-Briquets 2001). This would be an incentive for the more than 220,000 Cuban-American senior citizens—the majority of whom are Medi-

11. It might be interesting to evaluate whether it would be desirable to replicate Mexico's *Paisano* program, a program that facilitates visits by Mexicans abroad and makes the overseas community aware of events that are going on in the country. See <http://www.paisano.gob.mx/>

12. See www.cpalco.com.

care and Social Security recipients—to visit Cuba as tourists.

CONCLUSION

The Cuban diaspora is well placed to be a positive factor in Cuba's economic reconstruction after socialism and in the economic development of the island in the longer term. It is large, relatively well off in economic terms, and has shown to be quite entrepreneurial. These characteristics endow it with the capacity to make a substantial contribution to economic transformation in the island.

The role that the Cuban diaspora actually will play in the economic transformation of the island at the time of transition and beyond will depend, to a large extent, on the set of promotional, regulatory, and legal actions that the Cuban government takes to empower it. As has been discussed in this paper, the diaspora could contribute, among others, to the island's reconstruction through business linkages that foster small business development, promotion of trade and investment flows, and generation of travel and tourism.

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