

# CUBA IN TRANSITION

Volume 24

Papers and Proceedings of the

Twenty-Fourth Annual Meeting of the  
Association for the Study of the Cuban Economy (ASCE)

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## PREFACE

The Association for the Study of the Cuban Economy (ASCE) held its 24th annual conference at the Hilton Miami Downtown Hotel from July 31-August 2, 2014. The theme of the conference was “Cuba’s Perplexing Changes.” It focused on internal reforms and their impact on the Cuban economy, as well as on the island’s international economic reorientation with emphasis on the Port of Mariel. The conference included a plenary session on Cuban economic and political trends; sessions on social, legal, and sectorial issues related to the economy; and a student panel.

The reason the board of directors partly chose this theme is that while we believe that the economic situation in Cuba clearly calls for profound changes towards a market economy, the government has failed to move in a rapid manner to implement the appropriate policies. These include the unification of exchange rates, the establishment of capital markets and most importantly, the establishment and protection of private property rights. The empirical evidence in economics has shown that institutions matter for economic development and Cuba must begin the process of credibly establishing these to attract foreign direct investment and domestic capital. The latter requires the creation of a financial market that efficiently acts as an intermediary between private investors and savers.

While the tone of the dialogue within Cuba appeared to be moving in the direction of recognizing the importance of some of these requirements for the development of Cuba, unfortunately, the policies enacted many times contradict the stated goal of economic development. It is obvious that there are multiple political factions within Cuba with varying and at many times, contradictory objectives. In order to explore the multitude of issues surrounding the Cuban economy, this year’s conference—as those in the past—brought together participants that looked at these developments from various disciplines and methodologies. Therefore, the presenters included sociologists, political scientists, legal scholars, engineers, and agronomists amongst other fields.

From its inception, the Association for the Study of the Cuban Economy (ASCE) has been a non-political, non-partisan, professional association whose main objective is to promote interest in the study of the Cuban economy in this broadest sense. For this year’s conference, the Board of Directors invited with full financial support some of the leading academic economists in Cuba to participate in ASCE’s annual conference in Miami. The list of these invitees was compiled by the Board based solely on their academic record. Unfortunately, all declined to participate for various reasons.

The list of others living on the island who were invited to participate and attended with full financial support from ASCE included Miriam Leiva, Dimas Castellanos, Dariela Aquique Luna, Vicente Morín Aguado, Jorge Ignacio Guillén Martínez, Lenier Gonzalez, Roberto Veiga, Orlando Luis Pardo Lazo and Yociel Marrero. Some others invited to participate were not able to attend at the last moment due to unforeseen circumstances. Other participants from Cuba were covered by the financial support of other NGOs. In addition, there was a

session sponsored by the Cuba Study Group where several entrepreneurs from Cuba discussed the obstacles and progress made in establishing small businesses on the island.

As in previous years, we had a session for papers written by undergraduate and graduate students who submitted their work for the student paper competition. The winners were Roberto Gonzalez from the University of North Carolina Chapel Hill, Rebecca Freeman from Johns Hopkins, Antonio Diaz, David Cabrera, and Arturo Cancino, all from the University of Florida and Katrin Marquez from Amherst College. Other students who presented papers included Daniel Pedreira from George Mason University and from the University of Florida, Regina Rodriguez, Eric Bulnes, Francisco Ferrer and Jose Sera.

As president of ASCE, I would like to thank the board of directors for their time and effort in making this year's conference a success. In particular, I would like thank Ted Henken, president ex-officio of ASCE, and Rafael Romeu for their work. A special thanks goes to Joaquín Pujol, the "institutional memory" of ASCE, for all his work on behalf of the organization. I appreciate also the work of our past treasurer Geni Gómez and our new one, Ernesto Hernández-Catá, and that of our past secretary Stephen Kimmerling and our new Secretary, Helena Solo-Gabriele. Enrique Pumar again did an outstanding in running the student prize committee, Luis Luis and Ernesto Hernández-Catá in managing ASCE's blog, Roger Betancourt for providing me with judicious advice and Maria Werlau for assisting in bringing scholars to the conference from Cuba. As always, Jorge Pérez-López continues to do extraordinary work in organizing the conference program and editing the conference proceedings, with Gary Maybarduk also contributing to the editing of the proceedings.

Finally, ASCE would like to recognize the financial support of the Christopher Reynolds Foundation, the Sobel Family Foundation, and the Cuba Study Group. Thanks to their generosity, we were able to extend invitations to this year's conference to a record number of conference participants coming directly from the island. .

Carlos Seigle  
President