



# ASCE Newsletter

ASSOCIATION FOR THE STUDY OF THE CUBAN ECONOMY

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## *Opening Letter*

By Helena Solo-Gabriele, ASCE President, and Roger de La Torre, Newsletter Editor

Dear ASCE Members,

Since our last Newsletter issued in October, Fidel Castro has passed causing many mixed emotions, especially among Cubans and Cuban-Americans, including those currently living within the island and those living in exile. These mixed emotions are expressed eloquently by ASCE members including the OSV Newsweekly article by Enrique Pumar who reflected on Castro's legacy and Cuba's uncertain future, Jorge Luis Romeu's article in Syracuse.com who discusses the impacts of Castro's death on political and economic change in Cuba, and Larry Catá Backer's article which reflects on the lessons that might be drawn from Fidel Castro's legacy and concludes that "Las ideas no se matan" (ideas are not killed). The URL for all three of these articles can be found at: <http://www.ascecuba.org/links/>. Castro's death coupled with a new President Donald Trump calls into question, "Where does Cuba's future stand?" Will diplomatic relations continue to normalize between Cuba and the U.S. or will they revert back to pre- President Barack Obama conditions?

This uncertainty is captured well in the theme for the upcoming Twenty-Seventh Annual Conference scheduled for the Downtown Miami Hilton on July 27 to 29, 2017 entitled, "Cuba: Navigating in a Turbulent World." Here conference participants will be able to reflect on the possible impacts of recent events on Cuba's economic future. If you have written about the impacts of recent events on Cuba's economy or about topics related to business, entrepreneurship, and other related economic issues in Cuba please consider submitting an abstract for potential presentation at the conference. Information about how to submit an abstract is included within this Newsletter. Please consider registering early for the conference at: <http://www.ascecuba.org/2017-asce-conference-registration-form/>.

ASCE has also initiated fund-raising efforts for this upcoming conference. Fund-raising is aimed at providing financial support for the students competing in the student paper competition and for financial support for Cuban scholars living within Cuba who can enrich scholarly discussions about Cuba's economic issues. In addition to soliciting funds from U.S. Foundations we also ask our membership and those interested in supporting the ASCE meeting to contact us at [asce@ascecuba.org](mailto:asce@ascecuba.org) in the event that you are able to provide financial support for student or Cuban Scholar travel to the conference.

In addition to our Annual Meeting which is ASCE's signature event we have several other activities planned which are described within our Newsletter. So please continue reading

**ASCE**

**Association for the Study of the Cuban Economy**

<http://www.ascecuba.org/>

[asce@ascecuba.org](mailto:asce@ascecuba.org)

## ASCE Newsletter Submissions

Newsletter submissions, comments, and letters to the editor may be sent to:

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[r.delatorre@earthlink.net](mailto:r.delatorre@earthlink.net)

Letters to the president may be sent to: Helena Solo-Gabriele  
[hmsolo@miami.edu](mailto:hmsolo@miami.edu)

Please send email, telephone, and address changes to:  
Ernesto Hernandez-Cata  
[ehernandezcata@gmail.com](mailto:ehernandezcata@gmail.com)

## ASCE Committees

Membership Committee  
*Michael Strauss*

ASCE Newsclippings  
*Joaquín P. Pujol*

ASCE Blog  
*Luis R. Luis and  
Ernesto Hernandez-Cata*

Conference Program Committee  
*Jorge Pérez-López*

Conference Logistics Committee  
*Rafael Romeu*

Conference Secretariat  
*Maria Urizar of ICCAS*

Student Paper Prize  
*Enrique Pumar*

Conference Hosting Committee  
*Ted Henken*

Carlos Diaz-Alejandro Lecture  
*Carlos Seiglie*

AEA Session Coordinator  
*Luis Locay*

Election Nominations  
*Roger Betancourt*

Election Teller  
*Steve Escobar*

## Need to Renew your Membership?

Go to

<http://www.ascecuba.org/>

On the "Membership" tab click  
"Membership Annual Dues"

## Updates from ASCE Committees

### Membership Committee—Michael Strauss

The membership committee has re-instated institutional membership. Institutional membership allows for conference registration discounts for multiple individuals who are part of the same agency. The first individual is charged at the full registration rate (\$175) and subsequent individuals are charged at 50% (\$87.<sup>50</sup>). More details about becoming a member are available on the last page of this newsletter.

### Newsclippings—Joaquín P. Pujol

News related to Cuba's economy that usually are not carried in mainstream media is selected. By the end of the week this news is forwarded to members' e-mails. This facilitates the availability of information. So as an ASCE member, you will be well informed of relevant economic trends and events in relation to Cuba's economic reforms, international relations, economic performance, the sugar crop, tourism, corruption among other issues. This service has been established as an additional benefit exclusively for those members who provide us with their e-mail addresses.

### ASCE Blog—Luis R. Luis

The ASCE blog presents brief articles on the Cuban economy and society. The posts provide original commentary and analysis on topics relevant to gauging social and economic trends in the Cuba. Articles of an analytical nature by members and friends of ASCE are welcome and can be sent to [asce@ascecuba.org](mailto:asce@ascecuba.org) in care of the editors. For examples, visit <http://www.ascecuba.org/blog/>.

### Conference Proceedings and Program Committee—Jorge Pérez-López

The Conference Proceedings Committee has completed the 2016 Proceedings. The web version has been posted at: <http://www.ascecuba.org/publications/annual-proceedings/>. The Program Committee is also accepting abstracts for possible presentation at the conference. Deadline for abstract submission is April 1, 2017. Details about abstract submission are provided on the following page.

### Conference Logistics Committee—Rafael Romeu

The conference logistics committee has been planning on spicing up the conference by bringing back activities geared towards the academic community, featuring book sales and commentary. We are also focusing on enhancing our social events to help in building the ASCE community. Please SAVE-THE-DATE of July 27-29, 2017 for the 27th Annual ASCE meeting.

### Student Papers Prize—Enrique Pumar

ASCE Student Award Committee is accepting papers for the 2017 Jorge Pérez-López Student Award Competition. The award committee welcomes papers from undergraduate and graduate students from all over the world including Cuba and from all disciplines, not just economics. A panel of scholars will judge all submissions on the basis of relevance, originality, quality, contribution, and clarity of presentation. The top papers in the graduate and undergraduate categories will receive travel stipends towards their participation at the conference. Deadline for student papers is May 20, 2017. Contact Enrique S. Pumar, committee chair, at [pumar@cua.edu](mailto:pumar@cua.edu). For more information about the award stipend and expectations, consult the ASCE webpage, <http://www.ascecuba.org/competition/2017-competition>.

### Conference Hosting Committee—Ted Henken

ASCE strives to promote scholarly discussion on the Cuban economy and one key to meeting this goal is to include presentations by economists inside Cuba. To this end we invite speakers from Cuba to engage in discussions focused on the Cuban Economy. The main initiative of this committee is to fund-raise which is a large challenge for us. Given the funds we raise, the committee then provides recommendations for potential invitees from Cuba who can share their points of view on the status and future directions of the Cuban economy. If you have fund-raising ideas, please contact Ted Henken at: [asce@ascecuba.org](mailto:asce@ascecuba.org)

ASCE

Association for the Study of the Cuban Economy



Twitter at @ASCECuba

Facebook at <https://www.facebook.com/>

## Recent Events



### AMERICAN ECONOMIC ASSOCIATION

ASCE recently sponsored a session entitled, “**The Cuban Economy**”, during the 2017 American Economic Association Annual meeting on January 7, 2017 in Chicago, IL. Roger Betancourt of the University of Maryland presented a paper entitled, “United States-Cuba Migration Policy: A Political Economy View.” Luis Locay of the University of Miami presented a paper entitled, “Why Did the Cuban Infant Mortality Rate Rise During the First Decade of the Revolution?.” The discussant was John Devereux of the City University of New York-Queens College. Copies

of the session abstracts and papers are available at: <https://www.aeaweb.org/conference/2017/preliminary/1725?page=8&per-page=50>. Roger Betancourt reports that, “The session ... went well and the discussant did a great job commenting on our two papers and pointing out strengths and weaknesses of each as well as elements that tie them together..... The comments were incredibly helpful for further research extending the analysis to current circumstances, i.e., Cuba’s normalization policy in a Trump administration.”

## Upcoming Events

ASCE will be hosting a panel entitled, “**Implications for Relations between the U.S. and Cuba.**” The event will be held in Spanish on January 30, 2017 at Casa Bacardi located at 1531 Brescia Avenue, Coral Gables, Florida. The reception will start at 6 pm followed by a panel session from 6:30 to 9:00 pm. The panelists will include Carlos Alberto Montaner, Elias Amor Bravo, and Dr. Eduardo Zayas-Bazan. The panel will be moderated by Joaquin Pujol. Please RSVP by January 28 at [pujolascenews@aol.com](mailto:pujolascenews@aol.com). The event is co-hosted by ICCAS (Institute for Cuban and Cuban-American Studies), IAID (Inter-American Institute for Democracy), NACAE (National Association of Cuban-American Educators), and the Center for a Free Cuba. Bacardí Company will be sponsoring a cocktail for those who participate. A flier with more details about the event at Casa Bacardi is available at: <http://www.ascecuba.org/additional-asce-events/>. The flier includes a link for those who would like to attend virtually through live broadcast.



### UNIVERSITY OF MIAMI



The University of Miami Institute for Cuban and Cuban American Studies (ICCAS) will be hosting a seminar titled, “**Cuba Hoy, El Testimonio de un Misionero Cubano-Americano.**” The seminar will be held February 2, 2017 at 6:30 pm. The event will be held at Casa Bacardi located at 1531 Brescia Avenue, Coral Gables, Florida. The event will be held in Spanish. The presenter, Gabe Ferrer, installs water treatment systems at churches and hospitals in Cuba. He will be speaking about aviation in Cuba. For more information call ICCAS at 305-284-CUBA (2822).



The Bildner Center for Western Hemisphere Studies will be hosting a Panel entitled, “Transforming Cuba: Economic Reforms Beyond 2016.” The panel will be taking place on February 15, 2017 from 4 to 6 pm at the Graduate Center located at 365 Fifth Avenue, New York, NY. Three papers will be presented. These include: “Economic Reforms in Cuba: Present and Future” by Omar Everleny, “Prospects for Cuba’s Emerging Usufruct Farmers” by Mario Gonzalez-Corzo, and “Post-Fidel Dynamics” by Mauricio Font. More information is available at: <https://www.gc.cuny.edu/Page-Elements/Academics-Research-Centers-Initiatives/Centers-and-Institutes/Bildner-Center-for-Western-Hemisphere-Studies/Center-Events/Detail?id=38566>



ASCE will be coordinating a panel for the 11th Conference on Cuban and Cuban American Studies organized by the Cuban Research Institute of Florida International University (FIU). The session is scheduled for February 24, 2017 from 2 to 4 pm at the Modesto A. Maidique Campus of FIU, Miami, Florida. The panel, which was organized by Roger Betancourt, is titled **Multidisciplinary Approaches to US-Cuba Relations**. Four papers by ASCE members (E. Hernández- Catá, Silvia Pedraza, M. Strauss, and a joint one by E. Pumar and H. Solo-Gabriele) are included. The first two papers provide a broad perspective on US-Cuba relations from the point of view of Economics and Sociology, respectively. The other two discuss more specific issues (the return of Guantanamo and addressing water needs as a means of improving relations). Additional details about the conference and session are available at: <https://cri.fiu.edu/news/2016/call-for-panels-cri-conference/>. In addition to this session ASCE Committee member Mario Gonzalez-Corzo will be presenting a paper entitled, “Evolution, Trends, and Future Prospects for U.S.-Cuba Agricultural Trade.”



The Association of Cuban-American Engineers and the Cuban-American Association of Civil Engineers will be hosting their **2017 Cuba Infrastructure Scholarship Competition** on Saturday, March 4, 2017 at Casa Bacardi located at the University of Miami Coral Gables Campus (see: <http://www.aic-ace.com/?q=node/91>). During the competition university-level student teams formulate and present a project of their choice on the

reconstruction of Cuba’s public infrastructure that relates to the engineering field in transportation, water resources, power, telecommunications, healthcare or agriculture. Any questions regarding the competition guidelines should be directed to the Chair of the CISC Committee by contacting Regina Rodriguez ([reggie17r@gmail.com](mailto:reggie17r@gmail.com)).

## Publication Highlights

The 2016 winner of the Graduate Student paper competition, Aleida Cobas Valdes (third from left below) from Universidad de La Habana and the Universidad del Pais Vasco, Spain, presented her paper on “Cuban Immigrants in the United States: What Determines their Earning Distributions?” An extension of her work has since been published in *Applied Economics* at:

<http://www.tandfonline.com/eprint/c6DmqB6K49w4glAn5URd/full>

Many congratulations to Aleida!



## Suggestions Sought

**Have You Published a Book Lately?** ASCE Members are asked if they have published a book recently related to Cuba and/or economy. The conference logistics committee is currently coordinating a book display during the conference where authors can show their books to conference attendees. If you have a book that you would like to share, please contact [asce@ascecuba.org](mailto:asce@ascecuba.org).

**Member News.** If you have news or information that you would like to share with ASCE Members, please contact us and we will find an appropriate means to disseminate.

## Reflections on Cuba’s Economic Policy

### Rhetoric and Reality – A Personal Observation by Gary Maybarduk, Secretary and Board Member of ASCE

Ben Rhodes, White House Deputy National Security Advisor, recently published a blog entitled “Charting a New Course with Cuba: Two Years of Progress”.<sup>1</sup> Rhodes, of course, was defending President Obama’s policies towards Cuba. As I read his message I found myself in agreement in many points and annoyed by others. Space prevents me from doing a full analysis, but one egregious assertion deserves comment. Rhodes claims the new policies – including unlimited remittances – has allowed for the growth of the private sector and proudly reports “there are now 500,000 licensed independent businesses a dramatic increase from eight years ago.” I suggest that history does not support that claim.

The first progress in restoring a private sector in Cuba came after the disappearance of Soviet assistance in the early 1990s. Facing severe economic crisis and political unrest, Fidel Castro reluctantly allowed small family businesses, *cuentapropistas*. Initially the number of *cuentapropistas* rose quickly, from a few tens of thousands to 210,000 in January 1996 before falling to 147,000 in 1997. But as the economy improved, the Cuban authorities began to tighten their control over the new entrepreneurs. Tightened inspections forced many businesses to close. New licenses became harder to obtain. Pressure on the *cuentapropistas* increased as money from Venezuela arrived. By 2010 the number of *cuentapropistas* was still 147,000. By 2008, however, the world economic downturn had hit Cuba, growth had slowed, capital formation had declined, and the budget could not handle the demands. With Fidel retired, Raul was ready to try some new reforms.

In 2008 the Government announced a new program to reallocate state land to small farmers in usufruct. Significant other policy changes were announced in October 2010 and in 2011 at the Sixth Party Congress. The government declared it would cut government employment by 1.5 million. To compensate the government created new opportunities in self-employment. The number of occupations available to *cuentapropistas* rose by 21 to 178 and later to 201. *Cuentapropistas* were also given permission to employ non-family members. By 2014 the number of *cuentapropistas* had risen to 483,000. Some of the new businesses undoubtedly were helped by remittances, but the political decision to encourage their creation had nothing to do with improved US/Cuban relations. It occurred because the Cuban economy was under economic stress that threatened political stability.

In contrast, the Cuban response to the December 15 US decision to reestablish formal relations has been to threaten the growth of the private sector. The April 2016 Seventh Party Congress recognized the need for some liberalization of market mechanisms, but made clear that private property was really held in usufruct. The Guidelines established by the Congress include, “*The ownership or management of certain fundamental means of production by non-state natural or legal persons is subject to temporality and other conditions stipulated by the law . . .*” The guidelines also declare “*In the forms of non-state management, the concentration of property shall not be allowed*” and it added “*nor of wealth*”. Raul Castro also made clear the political reasons for control of private property, “*depending on the predominance of one form of ownership over another, a country’s social system is determined.*” Instead the Congress made clear that Cuba’s economic growth would come from (easy to control), foreign investment. History and Raul’s words would suggest that lifting the embargo and encouraging foreign investment in Cuba might well hurt the development of an indigenous private sector, something the new American Administration might consider.

<sup>1</sup><https://medium.com/@rhodes44/charting-a-new-course-with-cuba-two-years-of-progress-a313982284d9#90bldxic1>

## 2017 ASCE Conference—Call for Abstracts



# ASCE 2017

## CALL FOR ABSTRACTS

Abstracts accepted for  
regular and student papers

**Association for the Study  
of the Cuban Economy**

*Twenty-Seventh*

*Annual Meeting* [www.ascecuba.org](http://www.ascecuba.org)

*July 27-29, 2017 | Miami, Florida*

Abstracts for regular papers are due April 1, 2017  
and for student papers May 20, 2017

The three-day conference, around the theme “Cuba: Navigating a Turbulent World,” will focus on evaluating the state of the Cuban economy taking into consideration the impending changes in Cuba’s relations with the United States. One key issue remains whether Cuba will implement the economic reforms needed to stimulate the private sector and attract foreign investment to spur economic growth. Another key issue is what will happen to Venezuela assistance to Cuba and to Cuba’s oil supplies if the economy of Venezuela keeps collapsing. Will Cuba seek to develop and modernize its primitive banking system? When will currency reform be implemented? When will the agricultural sector be restructured to increase productivity and output? Can we expect Cuba to develop its banking system and establish well-functioning capital markets? The conference will also include a plenary session on Cuban economic and political trends as well as sessions on social, legal, and sectoral issues related to the economy and a student panel. We also hope to have again a strong presence of scholars and intellectuals from the island.

The meeting will be taking place at the Downtown Miami Hilton. To register for the conference visit: <http://www.ascecuba.org/conferences/2017-asce-conference/>

### More information about abstract submission at:

**regular:** <http://www.ascecuba.org/conferences/2017-asce-conference/2017-asce-conference-abstract-submission/>

**students:** <http://www.ascecuba.org/competition/2017-competition/>

### Call for Abstracts/Papers/Panels

Abstracts, papers, and/or panel proposals should describe original work related to the economy of Cuba in a broad sense, including legal, sectoral, and social aspects of economic development. Abstracts must not exceed 250 words and must be received via an email to [asce@ascecuba.org](mailto:asce@ascecuba.org) by April 1, 2017. Include the words “ASCE CONFERENCE ABSTRACT” in the subject line. Authors of accepted papers will be required to register for the annual conference. Visit our website for further information: <http://www.ascecuba.org/conferences/2017-asce-conference/2017-asce-conference-abstract-submission/>

Deadlines for submitting papers for the conference

- Abstract submission deadline: April 1, 2017
- Notification of acceptance: May 1, 2017
- ASCE XXVII Annual Conference: July 27 – July 29, 2017
- Final papers for proceedings due: July 15, 2017

### Call for Student Papers

#### The 2017 Jorge Pérez-López, Graduate and Undergraduate Student Award Competition

ASCE Student Award Committee is accepting nominations for the 2017 Jorge Pérez-López Student Award Competition. A panel of scholars will judge all submissions on the basis of relevance, originality, quality, contribution, and clarity of presentation. Details about the paper requirements are available at: <http://www.ascecuba.org/competition/2017-competition/>

**Graduate Awards:** First prize: Up to \$600 for domestic travel or \$800 for overseas travel to attend the conference.

Second prize: Up to \$600 for ASCE conference travel.

**Undergraduate Awards:** First prize: Up to \$600 for domestic travel to attend the conference or \$800 for overseas travel. Second prize: Up to \$400 for ASCE conference travel.

All participants receive a one year complimentary ASCE membership and may attend the annual meeting in Miami including the luncheon for free. First and second prize winners will also receive an additional two years of complimentary ASCE membership.

Deadline: May 20, 2017. For more information contact Dr. Enrique S. Pumar, [pumar@cua.edu](mailto:pumar@cua.edu)



# Membership Drive

To become a member or update your membership

Visit: <http://www.ascecuba.org/membership/apply-now/>

Enjoy updated and exclusive information on Cuba.

Access a select group of Cuba experts.

Learn & share information and ideas in a stimulating and collegial environment.

Network amongst a highly talented and influential group of individuals.

## Member Benefits

- Receive regular news and comprehensive information on Cuba via an *electronic clipping service exclusive to members*.
- Enjoy *reduced fees* for the annual conference and other ASCE events.
- Purchase the Annual Volume of *conference proceedings* for just \$25.
- Elect the Board, run for office, and enjoy *all member rights* afforded by the by-laws.

## Membership Annual Dues

Regular Member: \$90

Contributing Member: \$91-200

Sponsor: \$201 - \$350

Benefactor: over \$350

Student Member: \$25

Membership is renewed annually and runs from January 1 to December 31.

**New:** Institutional memberships allow for reduced conference registration fees (\$175 first individual and \$87.<sup>50</sup> for each additional individual)

## What is ASCE?

The **Association for the Study of the Cuban Economy (ASCE)** is a non-profit, non-political organization incorporated in the state of Maryland in 1990. Our mission is to promote research, publications, and scholarly discussion on the Cuban economy in its broadest sense, including on the social, economic, legal, and environmental aspects of a transition to a free market economy and a democratic society in Cuba. ASCE is committed to a civil discussion of all points of view. Affiliated with the **American Economic Association** and the **Allied Social Sciences Association** of the United States, ASCE maintains professional contacts with economists inside Cuba —whether independent or associated with the Cuban government—who are interested in engaging in scholarly discussion and research.

**Members** reside in the U.S., Latin America, and Europe and come from many professions -economists, engineers, lawyers, journalists, political scientists, business people, officials from international organizations and governments, consultants, university students, and other professions. Many are Cuba experts.

**Board of Directors.** ASCE's Board is elected by its members for a two-year period. Board members, who reside in different U.S. cities, serve pro-bono.

## Activities

**Annual Meeting**, held in Miami, Florida each August: Specialists present papers and participate in roundtable discussions during the 2½ day conference.

**Annual lecture** and **occasional conferences/seminars** throughout the year in Washington, D.C., New York and other cities. ASCE-sponsored sessions on Cuba at the annual meetings of the **American Economic Association**.

Publication of a volume of **Annual Conference Papers and Proceedings** -Widely used inside and outside of Cuba by universities, research centers, government agencies, and others.

**Dedicated website** containing all **Annual Papers and Proceedings** among other information.

**Annual prize** for a best papers on Cuba by university students.

ASCE's activities are financed through membership dues, event registrations, publication sales, and sponsorship by universities, foundations, private corporations, and individuals.

Go to [www.AsceCuba.org](http://www.AsceCuba.org) to join and also find By-laws, current Board of Directors, activities, and over two decades of scholarly work on Cuba.