

ASCE NEWSLETTER
WINTER 2002

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1- Letter from President

I would like to use this opportunity to express our gratitude for the support given by all of our members to the activities of our Association. In that context, I would also like to remind you that our Twelfth Annual Meeting will take place in Miami, August 1-3. In response to many of our members request to find a more convenient and centric location our discussion will take place at the Colonnade Hotel, in Miracle Mile in Coral Gables.

The substance of our meeting will address the issues of how the rule of law and well functioning institutions contributes to a nation's wealth and its rate of economic growth. Furthermore, the theme of the conference, the State, Institutions and the Market Economy is a natural continuation of last's year where we examined the macro-economic issues related to the transition from a command economy to the market economy.

As indicated in last year's conference as economic reforms programs in the former socialist countries have unfolded, it was observed that the operation of the economy did run up against the old structures of state institutions, makeshift government management, inadequate public policies and obsolete and abstractive legal systems.

Moreover, this year we celebrate the 100th anniversary of the birth of our Republic. Throughout, those one hundred years history we have struggle to establish institutions to safeguard liberty only to see those institutions subverted and trampled either by force or by assorted and ineffective political and socio-economic schemes.

It used to be common in the economic literature on development to enumerate the many sources of market failure and prescribe complex government interventions to cure them without paying much attention to equally numerous sources of government failure. Our tortuous and tragic history has more than ample demonstrated the concept that a modernizing nation's economic development not only requires a constitution with fundamental values, principles, rights and a workable systems of check and balances but also a legal infrastructure center in the protection of property, contract, individual and civil rights and a systems of governance that promotes socioeconomic integration, modernization of the State and the strengthening of democratic institution including a governmental machinery consisting of competent, ethical and professional civil servants and judges. In short, a functional transition to a market economy depends not only the correct macro-economic policies but also on the design of effective political institution and the development of strong civil society.

Recognizing those challenges, we have planned, in this 12th conference, to have some panels address these topics. In addition, following on last year's initiative of having our last session open to the public, we are planning to have a special session to attempt to address the hard choices ahead concerning the institutional framework that a functioning democracy and

market economy requires. We hope that this exchange of views will help future policymakers build institutions that will ensure that democracy and a market economy improve the economic and political well being of the Cuban people.

We encourage you to reflect and present papers addressing this challenging agenda. We look forward to see you again in August.

Against, as in previous year Jorge Pérez-López, is chairing our Programs Committee. I invite you to contact him. For further information see the section on the Twelfth Annual Meeting.

2- Hotel Reservations

If you wish to make a hotel reservation, please note that Colonnade Hotel has serviced 50 hotel rooms for type special group rate of US\$ 99.00 per room per night. These rooms at this rate will be available to our Annual Meeting attendees on a first come, just serve raises until July 02, 2002. You can make your reservations by calling the hotel's reservation desk at (305) 441-2600 and ask to book under the ASCE room block or ULA fax (305) 445-3929. Their web site is www.omnihotels.com. The hotel is located o 180 Aragon Ave. Coral Gables, Florida 33134.

3- Elections 2002

Once again, members will elect a new president and board of directors to carry out the Association's work during the biennium 2002-2004. To facilitate the process and insure transparency and fairness, we are providing early information and encourage members to become familiar with the rules governing the process.

Members in good standing propose candidates to the Nominations Committee that validates their candidacy. By May 1st, the Association's Secretary then provides members with official ballots, instructions, and information about the candidates. Voted ballots will be received until June 15th. Votes are counted and certified by the Tellers Committee that renders an official report to the membership during the annual membership meeting conducted during the annual ASCE Conference in August. Notwithstanding this requirement, election winners will be announced by e-mail immediately after the Tellers Committee completes its task. The new Board, however, will only assume their elected positions after the members annual business meeting.

The Board of Directors will consist of ten persons, not including the President and the immediate past President, who remains in the Board as president pro-tempore.

a- Nominations Committee Carlos Montouliou will serve as Chair of the "Nominating Committee" This committee's major role is to receive and confirm nominations of candidates from members in good standing.

The Board has approved a change in the By-Laws concerning the number of supporting members required to validate a candidacy. Henceforth, only five members are needed to submit a candidacy, as compared with the fifteen required in previous elections. In addition, members can now submit nominations by letter, fax or email.

The Board has also decided to publicize the names of those members seeking support for their candidacies, if they so choose. Their names and a ten-line biographical summary will be sent to the membership so that those who want to support an individual can do so. This process will help compensate for the wide geographical dispersion of ASCE's membership.

Members seeking this service should communicate with ASCE's Secretary as soon as possible. StuartLippe@hotmail.com

The final date for submitting nominations shall be March 15. Soon thereafter, the Nominations Committee will issue a report of valid candidates to the Secretary.

Nominations should be sent to:

Carlos Montoulieu
3305 Turner Lane
Chevy Chase, MD 20815
Fax: 202-482-5665
Email: carlos_montoulieu@ita.doc.gov

b- Tellers Committee Roger Betancourt will chair the Tellers Committee. This committee is responsible for receiving, certifying validity, and counting the completed ballots sent by the membership. Final date for reception of ballots will be June 15th. Once it has completed its task, the tellers committee will report election results to the Secretary. The Secretary, in turn, will report the results to the membership. Only members in good standing have the right to vote.

At the annual business meeting of the Association, called for during the August Conference, the Chairman of the Tellers Committee will present a formal election report to the membership. Once this requirement is fulfilled, the newly elected Board will then be installed in their new positions.

4- Call for Papers

TWELFTH ANNUAL MEETING
Miami, August 1-3, 2002
Omni Colonnade Hotel, Coral Gables

The Association for the Study of the Cuban Economy (ASCE) will be holding its Twelfth Annual meeting in Miami, Florida, August 1-3, 2002. ASCE invites papers on a variety of subjects related to the Cuban economy

and society, including: macroeconomics; banking and finance; agriculture and the sugar industry; tourism; social and political aspects of economic development; education; health; environmental policy; law and legal institutions; civil society; gender issues; governance; infrastructure; and civil-military relations. The main theme for this year's meeting will be: The State, Institutions and the Market Economy. As the world enters the 21st Century, we have learned that where there is no state, there can be no development. We have also learned that private property can not exist without a governmental apparatus, ready and able to secure not only individuals rights like free speech and social justice but also people's holdings as such. The state must lay the foundation for the market if the market is to flourish. In short, institutions and the rule of law are central to the development process. Papers dealing with these topics will be particularly welcome. Proposals for panels, roundtables or individual papers should be sent to Jorge Pérez-López, Chair, Program Committee, 5881 6th Street, Falls Church, VA 22041, perezlop@erols.com, as soon as possible, with more detailed abstracts by March 1, 2002. Persons interested in serving as discussants, session chairs or participants in roundtable discussion should also communicate with the Chair of the Program Committee.

5- Treasurers Report

ASCE TREASURER'S REPORT

As of the end of 2001, our financial situation has improved substantially due to the policy introduced by the Board of Directors to turn

around the trend of the last few years, which was depleting our accumulated surplus. Two factors were involved in this effort: one, to reduce the costs of the Annual Conference; and, the other, to actively seeks to reverse the decline in donations.

Last year, we could not full implement cost reductions because we had already signed our commitment to the Biltmore Hotel for the 2001 meeting. Therefore, only reductions, which we undertook in discretionary items, were feasible. Fortunately, in seeking donations, the situation was more flexible. We obtained the following donations in addition to the previously offer of \$3,000 from the School of International Studies at the University of Miami:

Institute for Cuban and Cuban American Studies, SIS, at The University of Miami	\$ 5,000.00
Global Expand,	2,000.00
Devtech Systems, Inc	2,000.00
Hamilton National Bank	1,500.00

We also benefited from the additional revenue resulting from the increase in member dues from \$45 to \$60, or 33 percent, without a corresponding reduction in membership. In fact, we have at present the same number of members that we had last year. In addition, we got several members' donations substantially in excess of the sponsor category level. It is not possible to make precise comparisons with previous fiscal periods because we have now an accounting system based on accruals and deferrals, while before we only had a straight cash record of revenues and expenses.

The reversal in the trend of depleting our surplus is reflected in the following figures:

TOTAL ASSETS AS OF:

June 30, 2000	\$36,121.13
June 30, 2001	28,510.08
December 31, 2001	33,402.08

The figures for fiscal year 2000 are cash based, while the ones for 2001 and the midterm for fiscal period 2002 reflect accrual and deferral accounting records. The final figure for 2002 is likely to include the cost of printing the proceedings and expenditures for the Web page, Board of

Director meetings phone calls, the accountant fees, and the rental of storage for the Annual Proceedings. On the revenue side, we have a trickle of additional members and renewals still coming in and sales of volumes to university libraries and book wholesalers.

You can help us keep the revenue side to its highest level. Persuade former members to renew, or non-members you know to join for this year, before March 31, 2002 and they will be entitled to receive the 2001 Proceedings free, as well as the weekly *ASCE Cuban Economic News Clippings Service*. You are also encouraged to consider exploring for potential donors for our Annual Conference among people you know.

6- Panel at the annual meeting of the American Economic Association (AEA)

ASCE held its annual session on the Cuban Economy at the American Economics Association meetings in January 2002, held in Atlanta this year. The two papers presented were “International Trade between the U.S. and Cuba: Lessons from the Past” by Myriam Quispe-Agnoli of the Federal Reserve Bank of Atlanta, and “Family Remittances” by Luis Locay of the Department of Economics at the University of Miami. Also scheduled to appear but unable to attend were Joseph M. Perry and Louis A. Woods of the Department of Economics at the University of North Florida who were going to speak on “Globalization and National Sovereignty: The Ongoing Trademark Dispute between the United States and Cuba”. The chair of the session was Luis Locay, and the discussants were Roger Betancourt and William N. Trumbull of the Departments of Economics at the University of Maryland - College Park and West Virginia University, respectively. Next year’s AEA meetings will be held in Washington, DC, on January 3-5, where we expect to have excellent attendance.

7- Student Prize

The Student Prize Committee is soliciting nominations for The Best Student Paper competition of 2002. Any member can nominate papers authored by university undergraduate and graduate students. The papers should address any topic related to Cuba's domestic issues, its foreign relations, or Cuba in comparative perspectives. At a minimum, papers are expected to outline a thesis statement and support it with persuasive evidence or data. All

nominations ranging from 20-45 pages must follow one of the standard writing style and academic citations guides.

Self-nominations are welcome. All correspondences must be accompanied by a letter stating the name, mailing address, phone number, and email of the nominee as well as a brief statement describing the merits of the nomination. Papers received or postmarked by June 14, 2002 will be considered. The winner of the competition will be announced by July 19th.

The Best Student Paper will receive a \$ 500 award, an invitation to present the paper at the ASCE Annual Conference, and subsequent publication in the ASCE Proceedings, with the appropriate notation.

For further information, contact Dr. Enrique S. Pumar, Chair of the Student Prize Committee, pumare@wpunj.edu

8- Reviews

A-- *¿Intelectuales vs Revolución?* . El Caso del Centro de Estudios sobre América (CEA) by Alberto Alvarez García and Gerardo González Núñez

The central topic of this book focuses on several events related to the existence and dramatic disappearance of the Centro de Estudios sobre América (CEA). The book begins with an analysis of the difficult relationship between the intellectuals and the Cuban leadership, focusing on the fields of social and economic sciences, but also making significant references to writers and artists. The authors, now teaching in forced exile, also examine the current political, economic and social situation in Cuba and its possible solution from two viewpoints: the official stance and that of the opposition. This discussion leads to some understanding of how academic centers like CEA could develop some autonomy of thought and yet survive for so long.

The authors submit that a major element of its survival was CEA members' commitment to high academic and analytical standards accompanied by objectivity (neutrality?). They felt that they were able to suggest successfully a number of ideas and policy perspectives, not part of Cuban government orthodoxy, which could or actually did modify the Cuban regime's policy making. In the end, the regime proved them wrong when it intervened and destroyed the Center, sanctioned and scattered its members, and publicly rejected their ideas. The illusion of influence became overnight

a painful delusion. The book makes very interesting reading, particularly for those who believe the Cuban regime is willing or inclined to consider change in its economic policy or political control.

(Reviewed by Antonio Gayoso)

Published by Ediciones Arte D.T., Montreal, Canada, 2001 212 pp. 5 x 7, in Spanish \$11.95 plus \$2.50 postage and handling in USA and \$5.50 for other countries To order, send check or money order payables in US banks to: Gerardo González Calle 10 No.1031, bajos Villa Nevarez, San Juan, Puerto Rico 00927 Phone: (787) 765-8798 Email: gegonza@coqui.net

B-- El trabajo forzoso en Cuba: Un recorrido amargo de la historia.
by Efrén Córdova

In this important book, Córdova provides a very well documented and readable overview of the odious practice of forced labor in Cuba. A well known expert on international labor law and practice, Córdova traces the use of forced labor in Cuba from the *encomienda* system used by Spain to extract work from native Cubans (the Cuban indians) to the importation of slaves from Africa, the efforts to attract manpower that labored in conditions akin to forced labor (primarily from Yucatán and China) and the more “modern” forms of forced labor practiced by the Cuban socialist system. The contemporary forms of forced labor in Cuba discussed by Córdova include “voluntary” work (unpaid work during traditional rest periods and unpaid overtime), work by paramilitary units, forced labor by political prisoners, dissidents and “anti-social” elements in prison camps (the infamous Unidades Militares de Ayuda a la Producción, UMAP), and forced labor related to permission to emigrate. This book is well worth reading for students of Cuban history, economics and social sciences.

(Summary by the author)

Published by Ediciones Universal, 2001. 262 pp. \$24.95. Order from Ediciones Universal, P.O. Box 450353 (Shenandoah Station), Miami, FL 33245-7978, <http://www.ediciones.com>.

C-- Transformación: Cinco Países....Un Enigma by Dr. Oscar A. Echevarría,,
President of Global Expand, LLC

This book covers a period in the economic and political lives of five major Latin American countries, namely Argentina, Brazil, Chile, Mexico, and Venezuela, that goes from 1983 to 1999. The comparative analysis of these economies leads to the conclusion that Venezuela failed to take advantage of the opportunity to grow and to progress as it could have, had other economic directions been followed and had the performances, in later years, of some of its political leaders been different.

The book is written with clarity and its conclusions are well supported by extensive data and information analysis. It is an excellent source for those interested in following recent performance of the economies of Argentina, Brazil, Chile, Mexico and Venezuela. In particular, the data presents the paradox of Venezuela, a country where abundant physical and financial resources runs parallel with poor performance in every year under study, culminating in the deep recession of 1998.

The study considers both the internal and external sectors, and assesses comparative trends in production levels, income distribution, capital formation, and employment, as well as monetary and fiscal policies. The author's analysis shows that, while Venezuela experienced significant economic regression in its GDP per capita, the other countries experienced growth, despite being confronted with external shocks similar to those faced by Venezuela.

After exhaustive data analysis, the author concludes that, during this period, Venezuela experienced very poor economic policymaking and management. But, worse than that, the author concludes that there was very poor political leadership coming from the elected leaders, who, while democratic, behaved as if suffering from acute sclerosis in their policy making or in their commitment to the country's long term well being.

This book should be obligatory reading for those who want to know about economic performance in the five countries covered and, also about how leadership and soundness of vision are needed in both a country's economic and political. The book goes a long way towards explaining recent occurrences in both Venezuela and Argentina.

(Reviewed by Jose Illán)

Published in 2001 by the Universidad Católica Andrés Bello, Caracas, Venezuela. \$17.95 Order by e-mail from AMR@gobalexand.com

9 - Note from the editor

We apologize that this newsletter has been issued on a fairly irregular schedule. In the future, we intend to stick to a fixed quarterly schedule in order to maximize interaction with the members. Please, let us know about new publications that may shed light on Cuba's crisis or on its possible solutions. Brief book reviews and new members are always welcome.