

# CUBA IN TRANSITION

Volume 18

Papers and Proceedings of the

Eighteenth Annual Meeting  
of the

Association for the Study of the Cuban Economy (ASCE)

Miami, Florida  
August 5–7, 2008

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## PREFACE

This 18th Volume of Cuba in Transition covers the proceedings of the annual meeting of the Association for the Study of the Cuban Economy (ASCE) held on August 5-7 at the Miami Hilton Hotel, Miami, Florida. Scholars, experts and other interested parties came to either present their studies and designated discussions and to listen to the presentations and the corresponding debates. The exchanges took place through plenary and concurrent panels covering a wide spectrum of transition issues around the problems affecting the Cuban economy and their future implications and possible solutions. This meeting upheld ASCE's long-standing tradition of dealing with these issues with the highest academic and professional standards.

The meeting included papers representing a mix of new topics and approaches with traditional ones. For instance, there was a panel dealing with the Cuban blogs, an important recent development in the island, and another on infrastructure where for the first time a group of distinguished engineers participated along with economists in discussing power and water/wastewater sector current issues in Cuba. The program also included new analysis on monetary duality, legal and transition issues, property claims, education, military and US Cuba relations. As always, there were panels discussing recent trends in the Cuba economy and general conditions in the country.

Special activities included a presentation by José Alvarez of his book *Principio y Fin del Mito Fidelista* and also a special presentation by Rolando Castañeda of a paper by Karina Gávez Chiú, from *Convivencia* in Pinar del Río on the current and future roles of microcredit in the Cuban economy.

This year, our key note address was delivered by Mary Anastasia O'Grady, a distinguished journalist from the Wall Street Journal who writes frequently on Cuban affairs and consistently defends the principles of a market economy in a democratic context.

In 2008 we suffered the loss of Dr. Armando Lago, one of ASCE's founders and its third elected president. Besides his contributions as a regular paper giver, founder and president, Armando contributed his energy and creativity to engrossing the association's membership helping to make it financially self-sustainable.

I want to thank the University of Miami's Institute for Cuban and Cuban-American Studies for acting as the secretariat of the conference.

On behalf of ASCE's Board of Directors and its membership I also want to thank Jorge Pérez-López for his outstanding and consistent dedication to organizing the annual program of the conference and editing this volume.

ASCE's most important contribution is the production and distribution of knowledge on the Cuban economy and all related issues, something achieved with a high level of professionalism to provide a forum for dispassionate dialogue and study. This, and the fact that our members care deeply about Cuba give ASCE a valuable vantage point. We hope you will find that these proceedings contribute to the Association's goal of expanding the dialogue on Cuban affairs to promote and facilitate a smoother transition in the island to an efficient market economy in the context of a free and humane society with opportunities for a better life for all.

Jorge A. Sanguinety  
President



## IN MEMORIAM

### ARMANDO M. LAGO (1939-2008)

Armando M. Lago studied economics in Cuba at the Universidad de Villanueva and law at the Universidad de la Habana. He completed undergraduate studies at the Universidad de Puerto Rico (1961) and subsequently earned Ph.D. (1966) and M.A. (1964) in Economics at Harvard University. He was founder and President of the economic consulting firm Ecosometrics, Inc., based in the Washington, D.C. suburbs. He served as Adjunct Associate Professor of Regional Economics at the Catholic University of America and as consultant for the Stanford Research Institute in Palo Alto, California, and for Operations Research, Inc and RMC, Inc., in the D.C. area before founding Ecosometrics. He was co-author of *The Politics of Psychiatry in Revolutionary Cuba* (Transaction Publishers, 1991) and of numerous reports and articles on transportation economics and on aspects of the Cuban economy. For the last decade, he dedicated himself to the herculean effort of documenting the human and social cost of the Cuban revolution. He produced a manuscript that we hope will be published soon by his collaborators and co-founded a non-profit organization whose main project, Cuba Archive, is documenting and raising awareness of the cost in lives of the Cuban revolution.

Armando was one of the founding members of the Association for the Study of the Cuban Economy (ASCE) in 1990. We remember him fondly as ASCE's tenacious first Treasurer (1990-94) and third President (1994-96). After completing his term as President, Armando continued to be very involved in the work of ASCE, participating in many of the annual meetings and making significant contributions to work of the organization. He will be profoundly missed by his many ASCE colleagues and friends.

