

# CUBA IN TRANSITION

Volume 21

Papers and Proceedings of the  
Twenty-First Annual Meeting  
of the  
Association for the Study of the Cuban Economy (ASCE)

Miami, Florida  
August 4–6, 2011

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## PREFACE

The 21<sup>st</sup> Volume of *Cuba in Transition* publishes the Proceedings of the annual meeting of the Association for the Study of the Cuban Economy (ASCE), held on August 4-6, 2011 at the Hilton Downtown Hotel in Miami, Florida. The conference theme was “Cuba’s Evolving Socio-Economic & Political Landscape,” which reflects an attempt to analyze the recent spate of regulatory changes in Cuba, alongside the documents that emerged from the Sixth Communist Party Congress held in Havana on April 16–19, 2011. Academic scholars, policy makers, and professionals from the United States, Cuba, Canada, Venezuela and other countries presented their research in an array of areas, from the impact (or lack thereof) of the changes in Cuba to the global financial crisis, legal issues, agriculture, tourism and foreign relations.

This volume recognizes two long-time members of the Association who passed this year, Ernesto Betancourt and Jerry Hagelberg. I thank Mr. Carlos Quijano for taking on the daunting task of writing a memorial to Mr. Betancourt, an important figure not just within ASCE, but in twentieth-century Cuban history as well. I also thank Mr. José Álvarez for doing the same with respect to Mr. Hagelberg, a world-renown expert on sugar, with special focus on Cuban sugar production and trade, and an ambassador for the research done at ASCE. They will be greatly missed.

On behalf of the Board of Directors and the membership of ASCE, I would like to thank Jorge Pérez-López for his tireless dedication to our organization, most visible in putting together the conference and editing this volume, as well as to the sponsors and benefactors of the conference and of this volume. I would also like to thank Carmelo Mesa-Lago for his extremely timely and fascinating keynote address on the recent changes following the Sixth Party Congress. From Professor Mesa-Lago’s presentation, I concluded that while the announced changes in Cuba appear to move towards welcome economic liberalization, they are limited and insufficient to deliver sustainable improvements in the Cuban economy. This twenty-first volume of *Cuba in Transition* represents the patient accumulation of research in support of the not-too-distant moment when the fundamental changes necessary to improve the Cuban economy truly begin.

Rafael Romeu  
President



## IN MEMORIAM

### **ERNESTO F. BETANCOURT (1928–2011)**

A former member of the Board of Directors and Treasurer of ASCE, Ernesto began his public life in exile in Washington D.C. in the 1950s exposing Batista's dictatorship. He returned to Cuba in 1959 to become Managing Director of the Bank for Foreign Trade and the Exchange Stabilization Fund at the National Bank and Governor for Cuba at the International Monetary Fund. His break with the regime occurred in late 1959, when the Communist takeover became evident. He returned to Washington and from 1960 to 1976 had a brilliant career at the Organization of American States as Director of Finance and Budget and Director of Organization Development and Financing. During the Kennedy Administration he coined the term "Alliance for Progress" for the emblematic program of U.S. economic cooperation with Latin America. From 1976 to 1984 he was an independent consultant, identifying and appraising projects in institutional development and export promotion operations financed by the World Bank, the Inter-American Development Bank and USAID. He returned to public service in 1984, first organizing and directing Radio Marti's Research Department and subsequently becoming its Director, a position from which he subsequently resigned over a disagreement regarding the implementation of operational guidelines, returning to consultancies regarding public sector reforms and transition issues.

Ernesto was an author, journalist and dedicated public servant who exerted a powerful influence in shaping and explaining public policy developments in his beloved Cuba where he was born, in the United States and in many Latin American countries. He was an intellectual with firm convictions and integrity who demonstrated during all his professional life exceptional courage in defending the ideals of a democratic system and denouncing human rights abuses wherever they occurred. He was a prolific writer, authoring essays in professional journals, in the collection *Cuban Communism* and in ASCE's *Cuba in Transition* volumes, as well as articles in the *Washington Post*, the *New York Times* and *El Nuevo Herald*. His book *Revolutionary Strategy*, published in 1991, received many laudatory reviews. Perhaps the most telling compliment is the following one by the editor of Transactions Books, I. L. Horowitz. "I find this the most important contribution to fundamental theory of revolution-building since the work of Britton in the 1939s and Hopper in the 1950s."

—Carlos N. Quijano

### **G. B. (JERRY) HAGELBERG (1925—2011)**

After his death on September 2, 2011, *The Financial Times* called Jerry "one of the island's most astute observers," and the commodity trading and research house F.O. Licht's "one of the most prominent sugar analysts [who] had an intimate knowledge of the Cuban sugar industry and agriculture in general." Besides numerous pieces and comments for both outlets, he authored the book *The Caribbean Sugar Industry: Constraints and Opportunities* (1974), several book chapters, and articles in *Cuba in Transition* and *Cuban Affairs*. He was a research fellow of the Academy of Sciences and the Institute for the Sugar Industry in Berlin and held appoint-

ments at Yale University and the University of Glasgow. From 1980 to 1986 he was sugar adviser to the government of Barbados, receiving the Honorary Silver Crown of Merit in the Order of Barbados.

In 1960, the Hagelbergs moved to Cuba, attracted by the promise of a revolution with a human face. Jerry worked as economic editor of the official newspaper *Granma* until expelled in 1968 because of his open criticisms. Their departure from the island did not affect their love for Cuba and its people. When he was writing his last ASCE paper just a few months ago, he asked me to locate the source of Raúl Castro's slogan "Sin prisa, pero sin pausa." He later sent this reply: "In the words of Joe Hill's 1911 version of the Salvation Army hymn *In the Sweet Bye and Bye*: 'You will eat, bye and bye,/ In that glorious land above the sky;/ Work and pray, live on hay,/ You'll get pie in the sky when you die.'" We are already missing his wit.

—José (Pepín) Álvarez