

# CUBA IN TRANSITION

Volume 28

Papers and Proceedings of the  
Twenty-Eighth Annual Meeting of the  
Association for the Study of the Cuban Economy (ASCE)  
Miami, Florida  
July 26–28, 2018

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## PREFACE

The Association for the Study of the Cuban Economy (ASCE) is a non-profit and non-political organization. Since its founding in 1990, ASCE has hosted yearly conferences to study Cuba's economy and society, including the possible transition to a market economy in Cuba. Since the last conference in 2017, several events have taken place that could impact Cuba's economic course. These include a change in U.S. diplomatic relations under the new U.S. President, Donald Trump; the political transition from President Raúl Castro to Miguel Díaz-Canel as Cuba's head of state; and the steep economic decline of Cuba's primary trading partner, Venezuela. This year's 28th Annual Meeting of ASCE was held on July 26–28, 2018, in Miami, Florida at the Hilton Miami Downtown Hotel. Under the theme of "Cuba: After Raúl?" conference participants analyzed the impact of these unsettling new factors as well as old trends on Cuba's economy and society, together with other issues of importance to those in the island and in the diaspora.

The conference consisted of over a dozen formal sessions and panels spanning topics such as current economic and political developments, economic growth, exchange rate consolidation, agriculture, legal issues, economic measurement methodology, student contributions, and labor market issues and *cuentapropismo*, among others. As Helena Solo-Gabriele (University of Miami), ASCE's President reported to the Plenary, the organizations' Proceedings are now indexed in RePec, which makes them available globally.

The Opening Plenary session included scholars based in the U.S. as well as in Cuba. Presentations in this session highlighted Cuba's economic and political situation, the recent economic reforms under Raúl Castro's government, and the context in which they have taken place. Omar Everleny Pérez Villanueva, from the Centro Cristiano de Reflexión y Diálogo, in Cárdenas, Cuba, highlighted the challenges the new Cuban government faces: slow economic growth; a growing fiscal deficit; a rather small private sector stifled by government action; an aging population and continuing emigration. Mario González-Corzo (CUNY) focused on the impact of a decade of reforms on agriculture in what has always been an agricultural nation. Although the agricultural reforms were supposed to increase the amount of cultivated land; increase efficiency of the sector; and reduce dependence on foreign agriculture, after a decade their success has been limited, with Cuba continuing to import most of its food. Finally, Dagoberto Valdés, from the Centro de Estudios Convivencia, in Pinar del Río, Cuba, discussed whether at this time Cuba was open to opportunities for change or was only concerned about continuity. Cuban government policies and efforts by diaspora Cubans range from continuity at one end to reform and the possibility of engagement at the other. Valdés highlighted that Cuba's trajectory of policy changes needs to involve less repression and greater tolerance of dissent; more political reforms, such as in the Council of Ministers; economic reforms entailing greater opening to the private sector; monetary unification; and changes in civic and political educations, with the possibility of citizens contributing to a debate on policies. The set of issues introduced during the opening plenary session were the subject of discussion throughout the conference.

ASCE's program this year also incorporated the lecture in memory of Carlos Díaz-Alejandro, delivered by Andrés Velasco, Columbia University, and Chile's former Minister of Finance. A close friend of Díaz-Alejandro, Velasco spoke of the impact of Carlos' teaching on his students and colleagues. Velasco's lecture centered on

the relationship between economic growth, populism, and democracy. He underscored that politics involves issues of identity. Voters do not choose on the basis of policies; rather, they prefer leaders with whom they share an identity, as this increases credibility. Yet this can also lead to political polarization. Identity populism may be a powerful force, as it comes in many varieties and brings costs as well as produces benefits. He underlined that this leaves all of us with the question of how to forge a common “we” out of populism.

The Ernesto Betancourt Keynote address was given by Mark Sullivan, from the Congressional Research Service of the Library of Congress, who discussed the role of Congress on U.S. policy towards Cuba, outlining the give and take between the legislative and executive branches.

As in prior years, scholars from Cuba were invited to present papers from the perspectives of those living within the island. A generous grant from the Christopher Reynolds Foundation made it possible for ASCE to host several scholars currently living on the island and in Latin America, whose perspectives enriched the conference. These contributions by Armando Nova (Cuba), Omar Everleny Pérez Villanueva (Cuba), Pavel Vidal (Colombia), Dagoberto Valdés (Cuba), Olimpia Gómez-Consuegra, Radamé Savón, and Tomás Depestre (Cuba), as well as Jorge Horacio Medina (Venezuela) provided an excellent opportunity for gaining great insight from the gradual economic reforms from those experiencing them first-hand in the island as well as those who can evaluate them on the comparative terrain of Latin America.

For the second time, the ASCE conference also hosted two legal sessions that provided continuing education credits to participants. Another legal session addressed the changes in immigration policies towards Cubans in the last half century. Three Miami lawyers who specialize on immigration presented the changes that have taken place in the legal immigration regime from the passage of the Cuban Adjustment Act under Lyndon B. Johnson to the end of the “Wet Foot/Dry Foot” policy enacted by President Bill Clinton and ended by President Barack Obama before he departed office.

We are also happy to report that this year’s student panel included winning papers from both students in the U.S. and, for the first time, in Cuba. The winning papers included representation from students at two U.S. institutions (the University of Delaware and the University of Michigan) plus an institution in Cuba (Instituto de Estudios Eclesiásticos Padre Félix Varela). Also this year ASCE hosted, once again, a virtual session which was broadcast on the internet, with participation from student groups at Pepperdine University.

On the last day a very popular panel drew a large crowd, as two cuentapropistas (self-employed) from Cuba, Niuris Higuera and Camilo Condis, explained the difficulties they face in their small businesses, as part of Cuba’s emerging private sector.

Overall, the conference was a success with many interesting papers and discussions. On behalf of ASCE, I wish to express our gratitude to all the authors who contributed their papers to this volume, and to all who participated in the meeting, enriching it. A special thanks goes to the ASCE Board and all other members of the many Committees that enable us to put on the conference and support the many activities of this organization. A very special thanks goes to Jorge Pérez-López, without whom the conference Program would not be possible, nor this volume.

An electronic version of these Proceedings and the ones for all the previous conferences can be found at [www.ASCECuba.org](http://www.ASCECuba.org).

Sincerest thanks,

Silvia Pedraza  
University of Michigan  
President, 2018–2020

## IN MEMORIAM JOSÉ F. ALONSO

José F. Alonso (“Pepe,” to his friends) passed away in August 2018, shortly after participating in ASCE’s 28th Annual Conference in Miami. Born in Sancti Spíritus, Pepe studied high school in Cuba at La Progresiva de Cárdenas. He earned a B.A. degree and an M.A. in Economics from Catholic University of America, where he completed all the academic requirements towards a Ph.D. in International Economics.

He had a long and distinguished career at the U.S. Department of Labor, Bureau of Labor Statistics, where he worked on labor market analysis and construction of import and export price indexes. He was also a Senior Economic Researcher with the United States Information Agency, Radio Martí Program. After his retirement from federal service, he taught at Montgomery College and other schools in Maryland and the District of Columbia.

Pepe was one of the ASCE’s first members and contributed to the organization in several ways. Early on he pushed ASCE to use the internet to disseminate information about the association; secured a domain for ASCE; and made connections with the Latin American Network Information Center (LANIC) at the University of Texas to host the ASCE Cuba in Transition volumes. He was elected to ASCE’s Board of Directors several times, and served in many committees and subcommittees regarding membership, the annual meeting, preparation of conference program, and publications. Last, but not least, he also contributed intellectually to the Association, authoring or co-authoring important papers that advanced our understanding of the Cuban economy in a variety of areas, particularly monetary policy and exchange rate issues, sugar, and agriculture. He was also instrumental in bringing several Cuban scholars and agriculture experts to the ASCE annual meetings.

He was also a warm and sincere friend to many in the Association. We had the opportunity to see him and chat with him at the July 2018 meeting. Little could his friends at the meeting suspect his imminent passing. As always, he was of good humor and warm to his friends.

Pepe will be missed by all his friends and colleagues in ASCE. We extend our heartfelt condolences to his widow, Cindy, and to his children, Patty and Victor. This volume of Cuba in Transition is dedicated to his memory.

