

May 2010

Looking into the Future: Training Management Students to Do Business in Cuba

Carmen Vega Carney

Thunderbird: The American Graduate School of International Management

Follow this and additional works at: <http://docs.lib.purdue.edu/gbl>

Recommended Citation

Carney, Carmen Vega (2010) "Looking into the Future: Training Management Students to Do Business in Cuba," *Global Business Languages*: Vol. 3 , Article 5.

Available at: <http://docs.lib.purdue.edu/gbl/vol3/iss1/5>

Copyright © 2010 by Purdue Research Foundation. Global Business Languages is produced by Purdue CIBER. <http://docs.lib.purdue.edu/gbl>

This is an Open Access journal. This means that it uses a funding model that does not charge readers or their institutions for access. Readers may freely read, download, copy, distribute, print, search, or link to the full texts of articles. This journal is covered under the [CC BY-NC-ND license](https://creativecommons.org/licenses/by-nc-nd/4.0/).

Carmen Vega Carney
*Thunderbird—The American Graduate School
of International Management*

LOOKING INTO THE FUTURE:
TRAINING MANAGEMENT STUDENTS
TO DO BUSINESS IN CUBA

Since the US cannot trade with Cuba, some people might assume that there is no need to train future managers about business issues dealing with Cuba. On the other hand, one might also conclude that it is imperative for the international business student to keep informed of what is happening in Cuba in terms of cultural trends and business dynamics. Each of these logically defensible positions—ignore Cuba or watch it closely—is fueled by polarized political positions prevailing in the US: one demanding a total rejection of official ties until the country achieves a democratic government and the other, favoring closer ties with Cuba.

Learning about the current business environment in Cuba can be accomplished through the traditional classroom model, or by means of a college program abroad. However, gaining first hand experience in Cuba is difficult because of the US government ban on traveling to Cuba for the majority of its citizens. Nonetheless, a handful of US colleges and universities offer academic programs in Cuba.

This article relates the rationale for, and the development, organization, program implementation, and results of a graduate student research experience in international business that took place in Havana, Cuba. The program offered students the opportunity to develop sensitivity toward a region of the world where business opportunities could exist in the near future. Conversely, Cuban officials and educators had the occasion to meet future US business leaders and to impress upon them an understanding of Cuban business objectives.

RATIONALE

Despite the US embargo, Cuba is rapidly joining the integrated global business arena. International business schools can ill afford to ignore this

Global Business Languages (1998)

fact. As long as an increasing number of nations enter into commercial dealings with Cuba, there will remain a high level of interest in the US business sector that aims to understand the forces that shape Cuba's business environment.

With the fall of communism in Europe, major ideological shifts worldwide have given hope to the idea that Cuba will oscillate in the direction of openness toward a market economy. Indeed, during the last seven years we have witnessed Cuba's aggressive foray into a version of communism that permits limited capitalist ventures. Such ventures allow businesses from all over the world the opportunity to invest in various industries, as well as in service sectors such as tourism. Internally, numerous local retail and service businesses have opened, although they are limited by multiple regulations. In addition, the economy has become "dollarized"—the use of other foreign currencies is also permitted. This openness, balanced by the Cuban government's desire to remain true to the communist system, has had its setbacks during its short experimental phase. At times the economy embraces a seemingly capitalist formula for certain enterprises, while at other times, practices that had already taken root among the Cuban population are suddenly disallowed.

There has always been a hope that Cuba and the US will resume peaceful interdependence at all levels within the near future. This has been influenced by the unavoidable reality of the internationalization of the world economy and the push from the international community. However, the fact that the US has no formal diplomatic relations with Cuba makes this seemingly simple proposition a very difficult process indeed. Over the course of nearly thirty-eight years, both Cuba and the US have articulated their foreign policies based on differing political and economic ideologies, and on economic and political expediency. The "truth" about the Cuba/US misunderstandings and political deadlock has undergone modifications from time to time. The entanglement of such old and intricate "truths" and "untruths" makes it impossible to know what really is happening in Cuba.

A scenario describing a normalized relationship between the US and Cuba is supported by many factors: the proximity of the island to the US, and all that this implies in terms of potential commerce and integration of systems; the desire of Cuba's population, and the Cuban-Americans in the US, to eventually re-establish ties with their families; and, the general world environment favoring peace and resolution of conflicts.

Since Fidel Castro gained power, Cuba has remained an area of intense scrutiny by college professors, intellectuals, and political commentators. The fascination held for Cuba and Cubans in the US and in the world at large is based on multiple historical and cultural factors. For contemporary generations of Americans, however, this fascination is due primarily to Cuba's stance as a seemingly indefensible David confronting, defying, and possibly defeating the overwhelmingly powerful giant, the US of America. The stubbornness of Cuba bolsters the curiosity of Americans about the true nature of Cuba's reality. Why don't Cubans rebel? Why do they continue living a life of scarcity and penury when a large part of the world's population is enjoying some degree of prosperity?

After considering these circumstances, our school determined that the international business student would be well served by a course directed toward understanding the present business environment in Cuba, and analyzing how Cuba's transformation under Castro's regime will affect business in the future. While at present the Cuban-American political stance keeps them staunchly opposed to the revocation of the US embargo, once Cuba opens its doors we surmise that Cuban-Americans will return, taking a leadership role in Cuba. Their expertise and experience can be expected to serve Cuba well. In many of the negotiations between Cuba and the US, one of the demands of Cuban-American representatives is that when the time comes they be given first place in business opportunities in Cuba.

There is an official US policy allowing research and study in Cuba, for which a license can be obtained from the Treasury Department to travel to Cuba. However, this policy changes easily, subject as it is to the volatile political relationship between Cuba and the US. The Cuban-American community strongly opposes visits to Cuba by all US citizens. Academic programs in Cuba sponsored by Florida institutions are practically impossible within the current political environment.

THE COURSE

In 1994, Thunderbird, the American Graduate School of International Management, offered a graduate seminar in Cuba as one of its Winterim sessions. These sessions take place during the January recess, which lasts for three weeks. The Cuba seminar, Advanced Business Language, taught in Spanish, had the following objectives:

- To provide students with instruction, research opportunities and an understanding of current Cuban social and economic indicators, infrastructure, financial services, trade and investment incentives available in Cuba for non-US business investors;
- To assess Cuba with respect to global communication systems, technological innovation in new products, liberalization of financial markets, and systemic changes resulting from the loss of economic support from the former Soviet Union;
- To introduce the students to Cuban officials and intellectuals who can educate them now, and aid them in the future, should US/Cuban business relations become a priority for them.

The seminar also focused upon the opportunities and constraints experienced by non-US nationals as they conduct business in Cuba. Some of the topics presented in the course included: Cuban law relating to foreign investment; the Cuban banking and monetary system; problems facing Cuba, such as the attraction of foreign capital; and opportunities in Cuba's key industries (tourism, health care, and agriculture). Most importantly, the seminar provided students with an opportunity to gain firsthand experience in the cultural and linguistic environment in which business takes place in today's Cuba, as well as to enhance their basic knowledge of current Cuban realities beyond the perspective offered by the media. In order better to serve students in international business, this course was designed to fill a void in their education.

In Havana, daily classes held at the Instituto de Historia were interspersed with visits to cultural, business, and government centers. Cuban intellectuals, university professors, government officials, and leading cultural and artistic figures presented lectures. Noted Cubanologist Lynn Stoner from the Arizona State University Department of History, and Cuban intellectual, Luis Hartly Campbell, J.D., co-founder and former director of Artex, a state owned Cuban export company in Havana, now a resident in the US, were instrumental in developing the course. They also participated as lecturers. The course was sponsored in Cuba by CECILIA (Centro de Intercambios Culturales), an organization whose aims include developing cultural exchanges and educational programs to meet the needs of the community.

A formal visit to the home of Gene E. Bigler, Press Affairs Officer of the US Interests Section in Havana was one of the highlights of the trip.

That visit provided students with both an opportunity to discuss candidly the official position of the US regarding the embargo and the Cuban-US political impasse, as well as the chance to hear an address by Mr. Joseph G. Sullivan, Principal Officer of the US Interests Section. Discussions at the Interests Section focused on topics that had dominated our formal and informal conversations in Cuba: “el bloqueo” [the blockade], as Cubans refer to the US embargo; recent US/Cuban relations in the context of the two nations’ long, interrelated history; and the end of the cold war. The students relied on information from the US press, government pronouncements, and academic course work while the Cubans relied on comparable sources in addition to official government channels such as the party newspaper—*Granma*—and the state television station. The Cubans proved to be better informed in matters of history and the chronology of events in the evolution of the embargo.

As a class project, a special edition on Cuba of the *Journal of Language for International Business (JOLIB)*, collected several essays written by the students, and also other submissions (Vega-Carney, Walch). The volume added to the literature about Cuba by offering the perspective of international business students who, prior to their trip to Cuba, had only a very superficial understanding of Cuba as a former ally of the Soviet Union and, therefore, paramount enemy of the United States. In spite of the lack of familiarity with Cuban politics and economics, international management students are well aware that integration of markets and conflict resolution are prevailing norms in twentieth-century international relations. For them, the impasse between the US and Cuba is a conflict awaiting resolution, rather than a politically intractable dilemma. The students’ essays illustrate how Cuba serves as a good case study concerning the problems and opportunities that emerge from a desire for political autonomy in an increasingly interdependent world.

Karen Walch, co-editor for the *JOLIB* volume, compiled excerpts from the students’ essays in an article. It chronicles Cuba’s profound social and political change from the perspective of students “inside Cuba.” In introducing the collection of essays, Walch discusses the fundamental distinctions between the perceptions of state and the civil society in the US and among the Cubans. She asserts that underlying ideological assumptions by the students led them to validate the “truths” they had been told about Cuba. Other contributions in the volume take the perspective of US business professors presenting a brief history of trade with Cuba,

concentrating on Cuba's current economic woes (Ray, Tremayne, and Lichtenstein). The articles, for example, explain language policies in Cuba that support the revolutionary goal of creating a "new man" (Archibald). They also offer an interpretation of Cuba as a communist state, together with the modifications and adaptations of that state to the Cuban cultural reality (Hartly Campbell). In addition, they discuss the language of "la Ley 50," the Cuban law legalizing foreign investment in Cuba (Tancer) and collectively examine today's turmoil and crisis from multiple perspectives. The writers express several truths. Some articles depict the current business and cultural environment of Cuba as it relates to the reversal of certain revolutionary successes, and the persistence of other accomplishments. Other articles point out the contradictions inherent in attempting to modernize Cuba's economic system through foreign investment, while simultaneously seeking to remain faithful to the principles and tenets of a socialist revolution (Grattino et al.).

During the development of the journal project, Cuban legislation was passed that allowed greater internal economic freedom, while the nation continued to attract foreign investors. On the political front, however, there has been little change to date with respect to US/Cuba relations, which are at a standstill due to the Helms-Burton Act. While former President Jimmy Carter initiated a series of informal talks between the opposing factions with the intention of mediating the conflict, proposals that were pending in the US Congress called for tightening the embargo. The proposals were passed soon after the Cuban army shot down two small planes piloted by Cuban-Americans who belonged to an organization named, "Brothers to the Rescue." The papal visit to the island in early 1998 raised many hopes among those who wish for the fall of Fidel Castro. It was expected that the Pope's presence and pronouncements would have effects in the Cuban population similar to those that occurred in Poland and the now defunct eastern European communist block. Rather than characterizing the papal visit as an instrument for political change, Ricardo Alarcón, president of the Cuban National Assembly, claimed in a PBS interview that the Pope helped to "improve" the Cuban political system. According to Alarcón, Cubans now are "more united" because the Pope "brought them together." In summary, his assessment is that the Pope "benefited the Revolution" (Alarcón).

In addition to answering the question, *What is the business environment in Cuba today from a first hand experience?* there were other practical concerns which were easily put to rest once the program began. For example: (1) how will Cubans receive business students from the US? (2) How open will our hosts be to a capitalist line of thinking from business students? (3) What do we have to learn about Cuba today, which will have value in the event that relations between Cuba and the US improve? (4) Will our trip to Cuba place us on a blacklist in the US? (5) Is it dangerous to travel in Cuba?

Cubans, we discovered, were most eager to share their unique political experience with everyone, as well as show off their accomplishments, particularly in the arts. They welcomed conversations about the capitalist system and strongly desired knowledge about principles of marketing, finance, and accounting. Capitalism, in their view, could readily merge with socialist principles, in a manner akin to the North Vietnamese experience. Cubans were quite critical of Russia's sudden turn to a market oriented economy. While they desperately want to improve their living conditions, they anticipate doing so under their own terms. In general, they maintain strong praise for the virtues of the Revolution.

Prior to our departure some students held reservations about participating in a program in Cuba, afraid of being blacklisted by the US government or the business establishment, or in particular by Cuban-Americans in positions of power. However, after our return, two of the students found jobs in Miami, and the student assistant who aided in the development of the course gained employment with the State Department, at the US Interest Section in Havana. Another concern was the issue of safety while in Cuba. Group members were never aware of any dangerous situations. On the contrary, Havana showed itself to be safer than most large cities in the US. People are very friendly, especially toward Americans. Although accompanied to many of the events by a Cuban guide, the group moved freely about the city, and we were able to develop personal friendships with Cubans. The younger Cubans, in particular, did vent their frustrations with the Revolution's inability to provide a better standard of living. During the year of the Winterim, the time of the "periodo especial" [special period] occurred, when all funds dried up and Cubans were unable to satisfy their basic needs. Yet the people we met faced hard times with optimism, humor, and resourcefulness. However, it was evident in the streets and in most hotels, that male and female prostitu-

tion among some of the population was becoming a viable solution for survival. Those were also the times when a good many Cubans, mostly men, tried to reach the US coast, taking to the sea in rafts (“balsas”).

Although going through the red tape with both the State and the Treasury Departments in the US was extremely frustrating, the experience in Cuba proved to be worth the effort. While students were very well aware that political issues prevent impending business from occurring between the two countries, they also knew that in time the impasse will come to an end, creating opportunities. The reaffirmation of Cuba’s commitment to the socialist principles of the Revolution, in the Summer of 1997, were overshadowed by the news of Cuba’s inauguration of its first mega mall. What future business managers in the US fear is that they might miss out on this second Revolution.

OTHER PROGRAMS

Several institutions in the US have been able to negotiate a license from the US Treasury Department to undertake legitimate academic pursuits in Cuba. Some have been allowed to bring groups to Cuba for formal study and research; others offer grants for students to independently conduct research in Cuba. Usually most of the programs have been at the graduate level or limited to doctoral level research.

Other groups interested in some aspects of Cuban life, such as art, music, religion, women’s issues, ecology, health, medical programs, and sports, do regularly organize trips to Cuba, although US authorities do not always sanction the tours. Prior to the downing of the planes in the summer of 1995, scheduled flights regularly left from Miami. If one held the status of a diplomat, an academic, a Cuban-American, or any other citizen with a justifiable reason to go to Cuba, it was (and is) possible to receive a license to travel. At present, even with a license to travel to Cuba, most passengers must travel via foreign ports.

STUDY PROGRAMS IN CUBA

Among some of the schools that have programs in Cuba or have gone to Cuba with short term programs are: The University of New Mexico, Johns Hopkins University, Arizona State University, The University of Texas-Austin, Willamette University, Columbia University, Carleton College in Minnesota, CUNY, Tulane University, and Virginia Tech. A license, passport, and visa are needed to travel to Cuba.

USEFUL ADDRESSES

The following addresses may prove useful for anyone contemplating an informal visit to Cuba, an academic study program, or fieldwork.

Center for Cuban Studies 124 West 23rd Street New York, NY 10011 Tel: 212-242-0559 Fax: 212-582-9570	Program sponsors.
Global Exchange 2017 Mission Street, Suite 303 San Francisco, CA 94110 Tel: 415-255-7296	Program sponsors.
Cuba Information Project 198 Broadway, Suite 800 New York, NY 10038 Tel: 212-227-3422 Fax: 212-227-4859 http://www.vfp.org/Cuba.htm	Program sponsors.
Cuba Cultural and Academic Exchange http://www.dcci.com/cuba_arte/eb_011.htm	Sponsors programs in dance and music.
Cuba Education Resources http://www.purecubaplay.com/CER.html	Provides information on opportunities for study.
Marazul Tours 250 West 57th Street New York, NY 10107 Tel: 212-582-9570 03 800-223-5334	Travel Agency for Cuba
Cuban Interest Section 2630, 16th Street, NW Washington, DC 20009 Tel: 202-797-8518	Official Cuban representation in the US. Grant visas for traveling to Cuba.

US Travel Warnings and Consular Information
http://travel.state.gov/travel_warnings.html

Offers useful official up to date information.

Ms. Eva González
 Latin American Studies/Cuba
 Exchange Program
 The Johns Hopkins University
 312 Gilman Hall
 3400 North Charles Street
 Baltimore, MD 21218–2690
 Tel: 410–516–5558
 Fax: 410–516–7586
 E-mail: lasp@jhunix.hcf.jhu.edu

Offers research study grants. Very competitive

SantaAnn Young
 Center for Latin American Studies
 Arizona State University
 P.O. Box, 872401
 Tempe, AZ 85287–2401
 Tel: 602–965–5127
 Fax: 602–965–6679
 E-mail: santaann.young@asu.edu

Offers research study grants. Very competitive.

Robert Dash
 Center for Cross-Cultural Study
 Willamette University
 Salem OR 97301
 Tel. 413–253–3707

Academic program.

Nicholas Robins
 Summer in Cuba
 Tulane University
 327 Gibson Hall
 New Orleans, LA 70118
 Tel: 504–862–8000, ext. 2601
 Fax: 504–865–5241

Academic program.

WORKS CITED

- Alarcón, Ricardo. *The News Hour with John Lehrer*. PBS 4 Feb. 1998.
- Archibald, James. "Linguistic Policy in Post-Revolutionary Cuba." Vega Carney and Walch, eds. 72–79.
- Grattino, Susan, Dennis P. Korte, Suyapa Laboriel, Jennifer Smith, Andrew Mazal, Elizabeth Franz, José Joaquín Morales, Marca Carine Van Heloma Armstrong and Kim Grace. "Thunderbird Perspectives from The Inside." Vega Carney and Walch, eds. 4–29.
- Hartly Campbell, Luis. "La naturaleza del estado cubano y el llamado a la inversión extranjera." Vega Carney and Walch, eds. 30–41.
- Ray, Nina M., Russell M. Tremayne, and Peter M. Lichtenstein. "Preparing for Post-Embargo Cuba: Effects on Businesses and Consumers." Vega Carney and Walch, eds. 42–71.
- Tancer, Robert. "Joint Ventures in Cuba: Opportunities for Direct Foreign Investment." Vega Carney and Walch, eds. 80–89.
- Vega Carney, Carmen, and Karen Walch, eds. *The Journal of Language for International Business* 7.1 (1995).
- Walch, Karen. "Old Language, New Confusions." Vega Carney and Walch, eds. 1–4.