

# **An investment in Cuba's future**

## **OUR OPINION: OFFER OF MICROLOANS AND IDEAS ENCOURAGES CHANGE**

Opinion  
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The Cuban-American business leaders of the Cuba Study Group are putting their money where their hopes lie. The group has pledged \$10 million as seed capital for a microloan program aimed at entrepreneurs inside of Cuba. That's not all. The nonprofit group proposes other ideas for jump-starting the moribund Cuban economy -- for whenever the Cuban government chooses to change direction.

### **Constructive approach**

The ideas are compelling, as difficult as the obstacles to realizing them will be. Carlos A. Saladrigas, the group's co-chairman, argues that the process of change involves many little steps; the more options offered to the Cuban people, the easier and faster a transition may take place. The goal is to foster an economic-development model that creates and spreads wealth.

Such a constructive approach is refreshing. Criticizing Cuba's dictatorship for bankrupting its economy and human-rights abuses, legitimate as those issues are, doesn't change the facts on the ground. Fundamental change should be initiated by Cubans on the island. Offering ideas and incentives helps encourage Cubans to take the needed plunge.

The Cuba Study Group has partnered with Banco Compartamos, a Mexico bank with microlending experience. Compartamos would set up the loan program in Cuba, whenever permitted by Cuban and U.S. law. True, the current Cuban regime is unlikely to embrace the project. And the U.S. embargo would likely restrict U.S. residents from investing in such a project. But at some point Cuba will change, hopefully soon and peacefully rather than later and chaotically. Meanwhile, the \$10 million fund will grow and remain available until Cubans on the island can shape their own futures.

The Study Group makes other recommendations for Cuban authorities. One proposal is to issue titles to current occupants of residences and then set up a bank offering loans to homeowners using a small share of the property as collateral. Another recommendation is for a tax system that will finance investment in education and healthcare. The idea is to generate domestic capital investment that, combined with remittances and microloans, could unleash Cuba's entrepreneurial and human potential.

### **Positive message**

Cubans on the island know that the current communist system is a failure -- but many fear change. In contrast, the Study Group's project sends a positive message: Cubans on the island will lead Cuba's rebuilding. Yet Cubans who have made good in exile want to contribute to the effort.

"This is for the Cubans who will shape the future," Mr. Saladrigas says. "We want nothing in return but to see Cubans succeed."