Rethinking Cuba:
The Maturation of
United States
Foreign Policy

Pepperdine School of Public Policy
Rethinking Cuba: The Maturation of United States Foreign Policy

Executive Summary

For more than forty years, Cuba-U.S. relations have been guided by a series of strained economic and immigration policies that affect populations on both sides. However, new advances in information technology and economic global integration have changed the geopolitical landscape. These changes, coupled with the fall of the Soviet Union and the subsequent decrease in the Communist threat, and a move within the current Cuban government toward free market reform, provide a framework with the potential for the maturation of U.S.-Cuba relations.

Cuba is in the backyard of the United States, and is positioned to be a key participant in American geopolitical relationships in the next century. The tiny island has always presented itself as a topic of great contention and concern for U.S. policy makers, and its previous strategic Communist alliances have deemed the 44,200 square mile country a threat to our nation's security and well being.

An overhaul of U.S. policy toward Cuba could decrease this national security risk and begin to establish a relationship essential to strategic regional cooperation. It would be prudent for the U.S. to facilitate a peaceful transition upon succession of the current regime; provide investment opportunities for U.S. businesses; and help improve Cuba's economy, thereby decreasing immigration to the U.S. It is clear, that in the new dawn of the 21st century, U.S. foreign policy towards Cuba must shift from isolation to integration, if the U.S. is to persist as a world leader.

What began in 1960 as a policy of containment to stymie and destabilize a rising Communist regime, soon developed into a deterioration of communication, trade and civility. It created a divide across the Gulf of Mexico that was solidified by 40 years of antagonism – by both parties.

Today, such policies of containment seem outdated and ill prepared to meet the challenges of a world that increasingly calls for engagement in a global community to ensure security and economic integration. In this context, current U.S. policy toward Cuba, emphasizing economic isolation, pose an indirect threat to security and a direct
threat to economic alliances between trade partners like the U.S., Mexico, the E.U. and Canada, as these countries choose to establish and maintain relations with Cuba.

Assuming that there will be a regime change in Cuba in the not so distant future, the United States can plan for that eventuality via this multi-stage plan:

- Re-open U.S.-Cuban trade on a limited basis which will enable long-term improvement in both the Cuban economy, and in U.S.-Cuban relations.
- Increase the amount of remittances to Cuba which will potentially increase the amount of hard currency in the Cuban economy and strengthen the purchasing power of the Cuban people.
- Allow U.S. companies to invest in Cuba which will help further integrate Cuba into the global economy. A relaxation of American posture in Cuba may induce Castro into reciprocity, allowing for U.S. companies to pay Cuban workers directly. If Castro does not make this change, the United States has still opened its door to Cuba, removing much of Castro’s rhetorical power to blame the U.S. for the impoverishment of his people.
- Facilitate increased communication and travel to Cuba which will enable family visits and cultural exchanges, further encouraging the people to people contact necessary for change.
- Support the developing civil society in Cuba which will enable the development and enhancement of education, infrastructure and organizations necessary for a democratic society. This allows for the development of a new Cuba, built from the bottom up.
- Improve communication between Washington and Havana and streamline the immigration process, which will should help ease the strain of Cuban immigration.

A multilateral framework that honors national sovereignty is a necessary foundation for U.S. policy toward Cuba. The implementation of a multi-stage, interdependent solution predicated upon economic solutions, diplomatic relations and the promotion of Cuban civil society can end 40 years of hostility and simultaneously reinforce American ideals. The eventual demise of the Castro regime is forthcoming but the preparation begins now.
Introduction

It is tempting to view United States policy toward Cuba as a relic of a bygone era. Over 10 years has passed since the fall of the Berlin Wall, and yet the Cold War continues along a front barely 90 miles from U.S. shores. Relations between Cuba and the United States remain strained, much as they have since Fidel Castro seized control of the island following the 1959 Communist revolution. Since that time, U.S. policy toward Cuba has been aimed at promoting change on the island, one way or another.

The primary goal of United States foreign policy is to protect American interests. During the Cold War, this policy was broadly understood to be principally anti-Communist. As a result, tight restrictions were placed on Cuba to contain the potential spread of communism. The end of the Cold War has brought a significant reduction in the threat posed by communism, but the U.S. remains committed to promoting change in Cuba. The post-Cold War era has been described as the Information Age, and with free trade and democracy taking root around the world, America has even less patience for Castro’s totalitarian communism. According to U.S. Secretary of State Madeline Albright, "The policy of the United States is clear. We want a peaceful transition to democracy in Cuba. It is that simple. It is that unshakable. We will never compromise our principles nor cease our efforts." U.S. policy continues to enforce an embargo against Cuba.

Cuba is the only nation in the Western Hemisphere that has not undergone a democratic transition, and the U.S. has centered its policy efforts on promoting this change. However, in a world moving toward globalization, containment and economic sanctions have virtually ceased to be effective policy tools. U.S. efforts to isolate Cuba have been hindered in part because of international trade between Cuba and other nations, while at the same time creating international tension over America’s unilateral approach. Furthermore, the anti-Castro foundation of the policy makes little allowance for the day the aging dictator no longer rules Cuba. If no policy change is undertaken, it is likely that post-Castro Cuba will remain antagonistic toward the United States and American ideology.

American policy must mature past the containment strategy, and develop new methods of achieving foreign policy goals. The authors of this analysis contend that it is possible to promote change in Cuba via a long term multi-stage plan. Combining economic solutions with diplomatic engagement and the promotion of Cuban civil society, the United States
can end 40 years of Cold War hostility, and at the same time remain true to its ideals encapsulated by current policy. The future of our relations with Cuba begins now.

Background

America has had an on-going struggle with its role in Cuba. While attempting to maintain true to its creed of non-interference in issues of national sovereignty, Cuba’s close proximity magnifies U.S. interests and concerns. By sending contradictory messages of both noninterference and interference, the United States has been unable to effect change in Cuba.

United States foreign policy must be directed toward ensuring American security and furthering economic and diplomatic interests. As Henry Kissinger succinctly stated "foreign policy must begin with some definition of what constitutes a vital interest." However, the United States has many interests regarding Cuba, a fact that has complicated relations between the two countries for over 100 years.

U.S.-Cuban Relations in the 20th Century

America has been deeply intertwined with Cuba for years, championing the sometimes conflicting goals of dedication to unalienable rights of the people and respect for Cuban national sovereignty. From Gerardo Machado's oppressive regime in the 1920's to Fulgenico Batista's military coup in 1952 (and subsequent suspension of the Cuban constitution) to the current Marxist regime of Fidel Castro, the United States has continued its tumultuous relationship with the island.

In April 1898, at the close of the Spanish-American War, Senator Henry Teller of Colorado proposed an amendment to the U.S. declaration of war against Spain which proclaimed that the United States would not establish permanent control over Cuba. It stated that the United States "hereby disclaims any disposition of intention to exercise sovereignty, jurisdiction, or control over said island except for pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the island to its people."

Following the Spanish withdrawal, the Platt Amendment was succeeded the Teller Amendment. It allowed the United States the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty. In 1903, the U.S. negotiated an agreement with Cuba to operate a naval base at Cuba’s Guantánamo Bay. Franklin Roosevelt rescinded The Platt Amendment in 1934 under his "Good Neighbor Policy" toward Cuba, and at the same time, the U.S. reaffirmed its right to lease the Guantánamo site from the Cuban
government. The U.S. continues to maintain the Guantanamo Bay military base, marking nearly 100 years of U.S. military presence on the island.

U.S.-Cuban relations became extremely strained following the 1959 Communist revolution. Formal U.S. pressure on the Castro regime began in 1961, when the U.S. imposed sanctions and severed diplomatic ties with Cuba. Another round of sanctions in 1962 strengthened the trade embargo against the island. Since that time, the major focus of America’s policy has been to isolate the Cuban government by maintaining pressure in the form of economic sanctions. The U.S. still does not diplomatically recognize the Castro regime.

During the Nixon administration, the United States and Cuba began to explore normalizing relations, but the talks were suspended in 1975 when Cuba launched a large-scale intervention in Angola. The United States and Cuba did establish Interests Sections in their respective capitals in September 1977 to facilitate consular relations and provide a venue for dialogue. Both currently operate under the protection of the Embassy of Switzerland. The prospects for improving relations were initiated early in the Reagan administration, but were halted because of Cuba's continued intervention in Latin America. In 1985, the U.S. began Radio Marti broadcasts to the island, and began TV Marti in 1990. The goal of the broadcasts was to air American ideas in the hopes of promoting change on the island.

Immigration crises have also plagued relations between the U.S. and Cuba. In April 1980, 125,000 Cubans departed for the United States from the port of Mariel, an incident known as the "Mariel Boatlift." In August 1994, following food shortages and unannounced blackouts in Havana, 30,000 Cubans set sail for the United States. Many fled in unsafe boats and rafts, resulting in a number of deaths at

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sea. In September 1994 and again in May 1995, Cuba and the U.S. signed migration accords with the goal of cooperating to ensure safe, legal, and orderly migration.

Further progress toward better relations was made in 1999. Responding to Pope John Paul II’s call to open up Cuba, the U.S. announced initiatives to expand people-to-people contacts, increasing direct flights, authorizing food sales to independent entities, and establishing direct mail service. While continuing to maintain the embargo, the initiatives are aimed at development of civil society in the country, providing humanitarian aid without strengthening the regime.

In looking toward the future, there is much work to be done on both sides to repair many years of mistrust. Though the world has changed, the issues have remained consistent. National security, human rights, and post-Castro ramifications remain the centerpieces of American policy toward Cuba. However, in examining those issues, it is evident that the assumptions underlying those concerns have also changed.

Security

Though the Cold War is over, national security must remain the principal concern of American foreign policy. The nature of the Cuban threat to national security, however, is much different than during the days of the Communist bloc. Cuba’s alliance with the Soviet Union provided ample evidence of the security risk posed by the Castro regime. In the wake of the Bay of Pigs invasion, and the Cuban Missile Crisis, anti-Castro/anti-Communist sentiment reached a fever pitch. Cuba was considered a major security threat. The U.S. undertook covert action in Cuba, including attempts to assassinate Castro.

Without billions of Soviet dollars aiding the Castro regime, or the Soviet military presence on the island, the risk posed by Cuba has greatly diminished. Both civilian and military leaders conclude that Cuba’s Revolutionary Armed Forces (FAR) pose no current security threat to the United States. The disintegration and collapse of the Soviet Union and the Eastern European bloc in 1989 triggered a profound deterioration of the FAR, and the Cuban military is now primarily a "stay-at-home" force that has minimal conventional fighting capabilities.

The direct threat of Cuba to American national security is negligible. However, Cuba does possess limited capability to engage in activities which could be detrimental to U. S. interests and which could pose a danger to America under some circumstances.

Along these lines, the U.S. considered a 1996 incident with Cuba to be a direct terrorist attack. The Cuban military shot down two U.S. registered civilian aircraft. Three U.S.
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citizens and one U.S. resident were killed. This incident spurred immediate U.S. response through the Helms-Burton Act, signed into law just 17 days after the attack. The act, sponsored by Senator Jesse Helms, was designed to be a punitive measure against the Castro regime. It tightened economic sanctions against Cuba and outlined a plan of U.S. support if a transitional democracy were to be established. On March 12, 1996, President Clinton declared the new legislation "a clear statement of our determination to respond to attacks on U.S. nationals and of our continued commitment to stand by the Cuban people in their peaceful struggle for freedom...We are sending a powerful message to the Cuban regime that we do not and will not tolerate such conduct."

In addition, Cuba has found distinction among U.S. adversaries as one of the closely monitored terrorist states recognized by the State Department. Its history of financing leftist revolutionaries in Latin America and elsewhere has gained it recognition by the U.S. State Department as a state sponsor of international terrorism. It joins Iran, Iraq, Libya, North Korea, Sudan, and Syria and in this distinction is routinely penalized through rejection of U.S. foreign aid for its history of subversion. In addition to the limits of trade established through the embargo, Cuba is also restricted from specific technology licensing because of the increased potential for information warfare. Since the collapse of the Soviet Union, Cuba has had limited ability to continue its financing of military training, arms, and guidance to various leftist revolutionary groups across the globe. However, Cuba is known to harbor international terrorist fugitives and maintains its relations with other state sponsors.

Cuba is identified as a country of concern with regard to the drug trade. While not a major drug trafficking nation, Cuba’s designation as a country of concern puts it on a watch-list, and its status is evaluated annually. Cuba has denied the Coast Guard permission to pursue drug smugglers in its waters, but has promised to consider other proposals to improve counter-narcotics cooperation. Cuba and the United States continue to exchange drug-related law enforcement information on a case-by-case basis.

**Post Castro: Succession**

The anti-Castro focus of U.S. policy raises questions about what should be done when he is no longer in power. It has been speculated that Fidel Castro will die in office, and the Cuban government has attempted to manage the succession process to ensure regime stability. Under the Cuban constitution, the vice-president replaces the president until the National Assembly elects a new one. However, Fidel has named his brother Raul Castro to be his eventual successor, and Ricardo Alarcon, President of the National Assembly of People's Power, has stated that he is willing to serve as President, and Vice-President Carlos Lage is also a contender.

In the past, Raul Castro has been a supporter of economic reforms, but he remains adamant about maintaining the current political system. Castro also has high regard for Alarcon, who he says "has demonstrated that he knows well how to manipulate Cuba's
public image, particularly with respect to the United States, and thus he might be able to promote better relations with this country."

The Revolutionary Armed Forces appear certain to support Raul and the leadership team. Members of the army are concerned with any changes "that might negatively affect the position of the military as an institution and their own personal careers." Raul Castro, in particular, has commanded loyalty from the officer corps. "Prospects for its continued loyalty under a government headed by Raul appear high, especially if its national role were to be expanded."

In addition to Castro’s handpicked successors, a degree of "structural governance" is already taking place laying the foundation for a managed succession. Among the new generation of leaders there are many smart, well educated, and politically sophisticated individuals who have been recognized as having "the capacity to govern at the local and provincial levels, if not lead at the national level." Nevertheless, there is increasing caution within the current regime including the "Identification (and presumably, weeding out) of ‘secret’ reformers who might lead the Revolution astray." The U.S. hopes that with the succession of Raul Castro to power, there will be a continuance of economic reforms. It is clear, however, "that the regime would continue to resist the implementation of any substantial political reforms."

The transition of power, however, might be more complicated than the regime believes. In spite of Castro’s efforts to portray Cubans as a nationalist people supportive of their government, there is evidence of considerable dissent on the island. There are five anti-Castro regime groups including the Democratic Solidarity Party and the Liberal Democratic Party. The coalition formed by these groups rejects the ideology and politics of the regime, especially the lack of political and social liberties and the halt of economic development. These groups see a peaceful, democratic transition as the best solution to their nation's ills. They have proposed a gradual and deliberate process of change from one state of society to another, but the government has not addressed or acknowledged their efforts to establish a dialogue.

Upon Castro’s death, there is the possibility for a struggle for power between these groups and Castro’s chosen successor. In spite of Castro’s efforts to inculcate hatred for America and everything American, and Castro’s recent claim that "our most upright and patriotic people fear life in the U.S. society," the average Cuban dreams of America. Cubans are not the same as twenty-five years ago. With the potential ideological vacuum created by Castro’s death, succession in Cuba may descend into bloodshed.

The Strategic Studies Institute, (SSI), which is the strategic level study agent for the Deputy Chief of Staff for Operations and Plans, believes Castro will be in power until 2008, and that "Political violence and instability are likely if he (Castro) dies or is removed from power." The SSI further believes that "Cuba is a prime candidate" for U.S. military interventions. Instability in Cuba following Castro would likely necessitate American intervention. An obvious potential threat to American security is the possibility that the U. S. may have to militarily intervene to halt any political violence or chaos on
the island. Additionally, there is a small possibility that a nation hostile to the U.S. could adopt Cuba as a client state, recreating the Cold War tension between the U.S. and the former Soviet Union. Increased American engagement with Cuba could preclude both of these possibilities, establishing a strong American relationship with the Cuban people that would smooth the transition to the post-Castro regime.

The Role of the Cuban-Americans

Castro’s demise will undoubtedly be met with cheers from the hard-line sector of South Florida’s Cuban-American population. Following the revolution of 1959, scores of refugees fled Cuba. Many settled in South Florida, because of its geographical proximity to Cuba and its similar climate. Most of the exiles came from the middle and working classes in Cuba, who emigrated with the original idea of returning home as soon as conditions improved. With the continuance of the Castro regime, conditions have not improved. The Cuban-American community in South Florida is a close-knit society bound by national heritage. This unique support network also provides hard currency in Cuba, by sending American dollars via remittances to relatives on the island.

“It is ironic that the best chance to see Castro surrender power at an early date is to do exactly what the anti-Castro elements in Florida oppose. Improved political and economic relations with Cuba would certainly speed the liberalization of Cuban social, political and economic institutions. Castro would become an increasingly irrelevant anachronism.”

Rear Admiral Eugene J Carroll, Jr (USN Ret), Deputy Director, Center for Defense

The ultra conservative Cuban American National Foundation (CANF) has long been the most vocal opposition to Castro, and the strongest supporters of the embargo. The CANF has been a powerful legislative lobby, raising hundreds of thousands of dollars for the coffers of politicians willing to support legislation in support of the embargo. The day Senator Jesse Helms addressed a luncheon vowing to sponsor the Helms-Burton Act, he received a $75,000 donation. President Clinton received an initial $300,000 for supporting the Cuba Democracy Act of 1992.

Led for years by charismatic president Jorge Mas Conosa, the CANF dominated the rhetoric from the Cuban-American community. However, upon the death of Conosa in 1997, more moderate voices began to emerge. Delvis Fernandez, president of the Cuban American Alliance Education Fund, has called for the relaxing of some of the restrictions against Cuba in order to promote people-to-people contact. Speaking on America’s Defense Monitor, Fernandez has said, "We feel that we represent the silent majority [calling for] normalcy between people, normal relations between people."

There are increasing numbers of moderate voices in the Cuban-American community. Over time, the anti-Castro sentiment that dominates the community has been tempered as it has passed between generations. Without the personal experience of losing their homeland, the sons and daughters of the exiles make up a 2nd generation of Cuban-
Americans that are not as firm in their anti-Castro resolve, and even lobby to end the embargo. However, the CANF remains the dominant voice from the Cuban-American community and shows no signs of weakening their anti-Castro resolve.

**International Objections**

The U.S. anti-Castro effort has come under fire in the international community. According to the State Department, "U.S. policy pursues a multilateral effort to press for democratic change by urging our friends and allies to actively promote a democratic transition and respect for human rights." However, global reaction has regarded U.S. efforts as an attempt to dictate policy to the world. The 1996 Helms-Burton Act that strengthened the U.S. embargo provoked strong criticism from other nations.

"The United Nations is not a separate organ to which we turn, like a fire service. It is the member states. The United States owns 25 percent of the power and the resources of the United Nations. What it does well, the U.S. gets credit for. What it does badly, the U.S. must bear some responsibility."

Sir Jeremy Greenstock, British Ambassador to the United Nations

Formal objections have also been raised in the United Nations. The UN has passed a resolution in each of the last eight years, calling on the U.S. to end the embargo against Cuba. The 1999 vote was 152-2, with only the U.S. and Israel voting against engagement. America has been acting essentially unilaterally against Cuba, while many of its allies have established formal diplomatic ties and enjoy extensive trade relationships with Cuba. The United States endures these criticisms and continues to stand alone, because of its firm objection to the Castro regime. The U.S. does not recognize the Castro regime as a legitimate government. It remains American policy to promote human rights and democratic change in Cuba.

**Human Rights**

The protection of individual rights has long been a rallying cry for American foreign policy around the world, but in the move toward more global trade arrangements, the enforcement of this ideal has evolved. The U.S. has lifted trade restrictions on a handful of nations accused of human rights violations, including China, and most recently Iran. At the same time, the U.S. has maintained the embargo against Cuba, and "continues to call upon the Cuban government to respect and protect internationally recognized..."
standards of human rights." According to the State Department, Cuba is a repressive regime, which continues to intimidate, detain, and arrest dissidents and human rights activists. Hundreds of political prisoners remain in Cuban jails.

The discrepancy in policy highlights a shift in global attitudes about what constitutes the international human rights standard. Amnesty International, the worldwide human rights organization, recently removed China from the agency’s list of the world’s leading human rights offenders. Amnesty indicated that though Beijing does not meet all human rights standards, the regime has made strides that warrant the removal of its designation as a major offender. Cuba has been cited by the organization in the past for the forced expulsion of Cuban dissidents from the island, but is not mentioned among current major offenders. Further muddying the issue, Amnesty recently cited the United States as one of the world’s worst human rights violators.

What is clear is that the phrase "human rights" is highly subjective, and can be manipulated to push passionate political buttons. Aykut Berk, former Turkish ambassador to Cuba offers a pragmatic analysis. Berk, whose nation has had its fair share of human rights problems, and remains a strong U.S. ally, contends, "No nation is entirely pure when it comes to human rights." While the dedication to promoting human rights must remain a major objective of international action, the world increasingly does not accept America’s presumed moral superiority on the issue. As a result, the U.S. lacks international credibility when it champions human rights issues as a driving factor in foreign policy. Therefore, the road to promoting a world standard for human rights must not run through the government, but rather through the application of non-governmental organizations. The NGO role in Cuba will be discussed in a later section.

**The Burden of Blame**

Perhaps no figure in the world dominates his nation more than Castro. The influence of his personality on Cuban society is tremendous. Castro holds himself up to the people as a true national hero, and as the architect of a great revolution. There is a segment of Cuban society that still believes in the power Castro has to improve their lives. Party loyalists and strong nationalists who hold civil service posts and who help maintain Castro's hold on the Cuban society, follow their leader without hesitation. Meanwhile, the regime blames the problems the country faces on the U.S. government and its policies.

The impact of Castro on U.S. policy cannot be overstated. His inflammatory rhetoric has helped fuel the anti-Castro foundation of U.S. policy. Castro has declared, "the triumph of the Cuban Revolution on January 1, 1959 meant for the people of Cuba the conquest of true independence and sovereignty," and "one of the most humiliating political defeats the United States sustained after it became a great imperialistic power."

The Castro regime has used its enmity with the U.S. and the resulting embargo as an excuse for the under-performance of the Cuban economy and the strife in Cuban society. In a 1998 speech to the Los Angeles World Affairs Council, Cuban Deputy Minister
Fernando Remirez De Estonoz told the audience, "The United States is the only country who maintains an embargo or blockade against Cuba, but considering that the United States is the richest and most powerful nation, that situation creates a tremendous strain on our people."

As a result, Cuba has declared ending the embargo to be its top international priority. In November 1999, a Havana court declared a $181 billion dollar judgment against the government of the United States in a lawsuit filed by Cuba. The suit demands compensation for what it alleges are numerous deaths and injuries caused by the embargo. The aim of the suit is obviously not to collect money, but rather to place the blame for the suffering of the Cuban people squarely in the lap of the United States.

"Castro blames the suffering of his people on the embargo. But it is the system that is to blame. Lift the embargo... the suffering will continue."

Honorable Aykut Berk
Former Turkish Ambassador to Cuba

The Economics of the Embargo

No other country uses economic sanctions as a foreign policy tool as often as the United States. Since World War II, the U.S. has imposed unilateral sanctions 115 times. Sanctions against Cuba began almost immediately after the Cuban Revolution, and have tightened considerably over the years. While some contend that the embargo has been ineffective and was made obsolete by the end of the Cold War, others argue that the downfall of the Soviet Union is the very reason the embargo should continue. They contend that the embargo did not work in the past because the Soviet Union propped up Castro’s regime, giving him a shield against sanctions. Without this aid, Castro’s regime is more vulnerable to the U.S. economic embargo.

However, in an increasingly globalized world, unilateral sanctions have virtually ceased to be an effective diplomatic tool. The interconnected nature of the global economy makes it difficult to achieve political or economic goals without acting in a multi-lateral
fashion. The fact the United States is virtually alone in its stance against Cuba almost guarantees the ineffectiveness of the sanctions. The attempt to apply U.S. law to other nations through the extra-territoriality effects of Helms-Burton only serves to further isolate the United States. Other nations are clearly interested in the economic possibilities offered in Cuba, and the world’s defiance of U.S. sentiment toward Cuba might be taken as a sign of the economic nature of world affairs. But the economic prospects for Cuba itself are far less clear.

**ECONOMIC INDICATORS**

Cuba’s economy before the revolution was the third largest in the Latin American region, ranking behind only the much larger nations of Brazil and Venezuela. In 1958, the U.S. had $861 million invested in Cuba, equivalent to $4.3 billion today. U.S. investments in Cuba were larger than in any other country in the world besides the UK. Following the Revolution, Castro nationalized all foreign enterprises and their assets, including land, machinery and inventory. More than 2.25 million acres once owned by United States investors were turned into large state-owned farms. With the nationalization, the nature of the Cuban economy was fundamentally altered. Today, Cuba continues to lag far behind the rest of Latin America in economic performance.

![Bar graph showing Latin American countries per capita GDP](chart.png)

From 1981-1990 Cuba experienced a "make believe economy." Heavy subsidies and monetary injections from the Soviet Union led the Cuban people to experience a per capita average growth rate of 2.8%. Reality set in after the collapse of the Soviet Union in 1991, when all subsidies were cut almost immediately, and the per capita rate of growth dropped substantially for the next eight-year period (1991-1999) to a low of –2.6%. The fact that the Soviets accounted for 70 to 90% of Cuba’s international trade is a main cause for Cuba’s economic decline.
Were it not for the collapse of the Soviet Union, the embargo would continue to have little effect on the Cuban economy. The Cuban Democracy Act took effect in 1992, the same year Soviet aid to the island ended. In 1993, the embargo cost Cuba more than $1 billion. Due to its limited exporting capacity, the country was forced to pay higher prices.

During the Cold War, Castro downplayed the impact of the embargo by claiming Cuba did not care whether Washington lifted it or not. Castro changed his rhetoric after the Soviet collapse and the tightening of the embargo. Soon after, Cuban officials announced that the removal of the embargo was their top international priority.

**EMBARGO IMPACT**

Though the embargo has not had the desired political effect, it has impacted the welfare of Cuban people, slowing gains made by Cuban society. Before the embargo, Cuba ranked third among Latin American nations in per capita food consumption; today it ranks last, at levels well below the pre-revolutionary levels. About half of all protein and calories intended for human consumption were imported in the 1980s; however, foodstuffs imports fell by about 50% from 1989 to 1993. Per capita protein and calorie availability from all sources declined by 25% and 18%, respectively from 1989 to 1992. Moreover, there are only about 1200 daily calories available from the State ration distributions. From 1989 to 1993, newborns weighing under 2500g rose 23%, from 7.3% to 9.0 percent and the fall in birth weight occurred despite a decline in other risk factors for low birth weight. Nevertheless, Cuba became the first underdeveloped country in the world to target hunger and malnutrition through state-supported agriculture and a ration program for basic nutrients.

The effects of the embargo have also plagued Cuba’s public health system. With its comprehensive family doctor program and tertiary care facilities that deliver services on a par with the developed world. It had been recommended as a "model for the world" by the World Health Organization. Cuba wiped out infectious diseases and epidemics that traditionally plague other developing countries. As in the developed world— heart disease and cancer—are also the leading causes of death in Cuba. However, the American Association for World Health and the American Public Health Association,
cited the embargo as the cause of significant deterioration in Cuba’s food production and health care sectors.

Embargo restrictions and red tape make it difficult to get health care supplies, despite procedures that allow for the licensed sale of such items. The AAWH found medical supply shortages from rubber gloves to parts for X-ray machines. The study also found that the embargo deprives Cuba access to many "major global drugs," which are patented by U.S. companies. Of the 1300 medications available in Cuba in 1991, physicians now have access to 890. Following the tightening of restrictions on the sale of medicine to Cuba, many of these, including drugs for cancer, diabetes, heart disease and asthma, are available only intermittently.

Some U.S. legislators are attempting to ease the impact. Congressman Jose Serrano (D-NY) has proposed the Cuban Food and Medicine Security Act of 1999. This bipartisan legislation would remove licensing restrictions from the sale of food, agricultural products, medicines and medical equipment from the U.S. to Cuba. As of March 2000, the bill remained in committee, with about 150 congressional supporters.

Despite the limitations of the embargo, Cuba continues to make gains. Cuba produces its own vaccines, and has managed to eliminate many childhood diseases. Cuba has produced the first meningitis B vaccine, which is unavailable in the U.S. due to embargo restrictions. Cuba also boasts a highly educated workforce. 57 Universities and colleges have turned out 600,000 graduates, and the average Cuban possesses at least a 9th grade education.

However, as the world shifts to an information based economy, Cuba is still far behind. Access to telephone lines is very difficult. Fewer than five in every 100 people have telephones and as many as half of those lines are not functioning at any time. The Internet is only available for foreign diplomatic and business interests, embassies, research and governmental agencies and some universities. Access to the Internet otherwise is unreachable by the common citizen at a minimum price of $260 per month for the service. Without this fundamental element that is required to compete in the new global economy, it is likely that Cuba will not be able to keep pace.

**CUBAN ECONOMIC REFORMS**

The economic crisis that ensued in the early 1990s precipitated the expansion of the underground market for the supply of essential goods to Cubans. The state-sanctioned Rectification Program and National Food Program, to the dismay of the Castro regime,
was not able to supply adequate rations; and the black market became the source of supplemental foodstuffs for most of the population.

The Castro regime recognized that most of the population was operating outside the law by participating in this illegal market either as a consumer or producer. In essence, economic survival had supplanted loyalty to the socialist doctrine. In response to this entrepreneurial undercurrent, and in response to double digit drops in the GDP for three consecutive years, Fidel Castro and his administration issued a series of reforms to regain control of the economy.

This list of reforms would normally appear promising, but these reforms were not able to fully take effect before the Castro government became apprehensive about losing control. Political logic superceded economic logic leading Raul Castro to put a halt to these reforms in order to re-strengthen the power of the regime. Even these minimally pacifying measures did little to spur self-employment. The numbers actually dropped a the peak of self-employment in 1995 of 208,786 to 159,506 in 1998.

The official exchange rate for the U.S. dollar, as stated by the Cuban government is 1 to 1; but the often realized black market exchange rate for the Cuban Peso to the U.S. Dollar is reportedly 20:1. The Cuban government uses the official rate to pay out wages to the people, which dramatically alters the value of their wages. This is particularly obvious through the National Employment Agency, which is the required supplier of labor for foreign-owned businesses. The transaction process is purposely biased to benefit the government because businesses pay the state the U.S. dollar equivalent, but it exchanges it for this paltry amount.

The government plays the most important role in the Cuban economic market. Its growth was positive until 1996 when the effects of counteractive policies were noticed. Stagnation occurred as growth decreased from 7.8 percent in 1996 to 2.5 percent in 1997 and settled at 1.2 percent in 1998. The Cuban economy will continue to be unstable unless it overcomes some of the challenges it faces; consolidating and improving achievements in the social sphere by improving its use of resources and upgrading its competitiveness in the industrial sector.
According to the UN, there is a grave need in Cuba to ensure efficient use of energy resources; promote renewable sources of energy; develop industrial training and information programs; encourage enterprises to develop competitiveness and innovation and cooperation among existing and prospective enterprises. There is also a need for improvement of quality control techniques at existing state-run enterprises; application of international environmental regulations; promotion of investment and technology; and modernization of its industrial capacities in agro-industries and other industrial sectors.

Farmers markets have been allowed since 1994, but farmers are not allowed to use intermediaries to help in determining price in relation to their competition. The state still imposes strict control over the designated crops the farmers are allowed to grow and sell. Typically, after meeting the state’s production requirements, there is not a substantial enough surplus to allow for market sales. As a result, these markets are not attractive to the farmers. Cuba’s supply of agricultural products from these markets has dropped from 15 percent in 1994 to 4.8 percent in 1997.

The economic reforms mentioned earlier have had some positive effects on the overall performance of the economy. Foreign investment has increased, particularly tourism, which grew at an average annual rate of 19.8 percent from 1990 to 1998. The reforms also helped Cuba decrease its budget deficit. The high in 1993 of 33.5 percent dropped to 2.0 percent in 1997. In 1999, it was 3.0 percent.

Fidel Castro has not communicated that Cuba’s state government is seeking the development of a market economy. Cuba differs from other countries undertaking economic reforms because a freer market is not necessarily the goal. China and Vietnam leaders promote a market economy under the subordination of the Communist Party. However, Castro is adamant that he is not seeking to return to capitalism.

**FOREIGN INVESTMENT**

Most of the reforms instated by the regime were geared toward attracting foreign investors. Many nations around the world have acted upon their ability to penetrate this risky but attractive market; unfortunately, key elements in financing investments are not allowed in Cuba. For example, insurance—necessary to hedge the high risk—is not allowed. Banking is considered to be at a primitive level, providing almost no financing for investments. As of 1997, only 7 percent of investments in the country were financed by the state bank. Castro’s unwillingness to move toward a free-market economy is also a key element in the equation. Even though there are many businesses and international investors in Cuba with a positive outlook, it is by no means a certainty that Castro will continue allowing them to operate as they are today. Companies brave enough to invest in Cuba must be flexible and patient and prepared to cope with problems such as bureaucratic delays, restrictive laws and unreliable accounting practices.
It can be strongly argued that Castro’s reform objectives, are not to move toward a market economy for the benefit of the Cuban people, but rather preservation of the Castro regime. The regime has gone far outside desired boundaries of comfort in calling out to foreign investors to come participate in the promotion of the Cuban economy. According to Ernesto Melendez, Minister of Foreign Investment and Economic Collaboration, in 1990 there were only three foreign investment projects underway on the island. By contrast, as of July 1995, 212 enterprises were operating with $2 billion in foreign capital from over 50 countries.

Canada is by far the most active, current investor with holdings in almost all allowed areas. It is one of the first involved in joint ventures characterized as wholly-owned foreign enterprises. These joint ventures were developed in the non-agricultural, private sector. The absolute number of workers in this sector has increased from 82,400 to 110,300 between 1994 and 1996. For the benefit of U.S. companies, full ownership would be critical. Over the last five years, there has been a large increase of foreign firms invested in Cuba. However, Cuban nationals are not allowed to invest in these enterprises, which does little to benefit the Cuban people and improve their personal economic situation. Several economists who have monitored foreign investment in Cuba claim that foreign investment is simply a mechanism for the Cuban government to capture investment capital.

The country is exhibiting a more cooperative economic attitude and wishes to achieve a common market with its Latin American neighbors Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela. The Cuban government has shown a strong desire to participate in this market by joining the Latin American Integration Association (ALADI). Given its previous distaste for globalization, it is somewhat surprising Cuba pursued this membership so aggressively in August 1997. Castro and his regime have realized the potential market within the region and the potential gain from integrating with these countries. There are substantial differences between these economies and Cuba. Cuba displays clear lags, especially when comparing per capita GDP.
Additionally, Cuba has officially joined the International Chamber of Commerce (ICC). The ICC is based in Paris, France, and it provides its members full privileges to utilize ICC resources and the ability to promote trade and investments within the group.

Cuba’s exports have not kept pace with other countries in the region. Before the embargo Cuba and Mexico had almost identical export levels while the size of the Mexican population and landmass was over four times that of Cuba. Cuban exports increased from $732 million in 1958 to $1.9 billion in 1998. In contrast, Mexico had $736 million in exports in 1958, but in 1998 it had $97 billion.

The lack of diversification of Cuba’s exports over the past 40 years is a great contributor to its current economic state. The bulk of Cuba’s imports originate from the Americas at 49 percent and Europe at 39 percent, and its exports follow a similar pattern. Cuba’s primary exports include sugar, nickel, citrus fruits, seafood, tobacco, and computer screens. Imports are mostly in the areas of machinery/equipment, food, chemicals and fuel/lubricants.

Cuban macroeconomic indicators show that any market liberalizing policies that took place in the mid-nineties affected the market in a modest but fair manner. Unfortunately, the market liberalization policies did not actively continue; and consequently, the market experienced a significant slowdown between 1997 and 1998. According to figures from the Association for the Study of the Cuban Economy, direct investment flows actually declined by 53 percent in 1998 to $206.6 million.

The government has decided to concentrate its efforts in developing a few sectors by allowing foreign investment to come into the country. Sherritt, Inc., a Canadian mining and fertilizer firm, has invested more in Cuba than any other foreign firm. Sherritt is Cuba’s largest oil producer and most importantly provides nickel and cobalt miners, refiners and marketers.
The Cuban government expects tourism to be its economic driving force in the future, replacing sugar as the primary source for hard currency. Spain and Italy are the largest investors in the tourism industry. Mexico, UK, France, Brazil and the Netherlands also are strong investors in the island; and the Cuban government has expressed interest in continually easing up investment regulations in order to attract new investment. Tourism grew 19.5% in 1998 and it was projected to grow 18% in 1999 (no clear 1999 data is available yet). Overall, foreign investment in the tourism, energy and telecommunications sectors is expected to grow 11.5%.

While making progress, Cuba’s economy remains hindered. However, Cuba’s economic problems cannot be blamed solely on the U.S. embargo. A fair amount of culpability lies in the nature of Cuba’s economic regime. The half-hearted efforts to reform have slowed growth. In addition, at the nearly the same time reforms began in Cuba, the U.S. economic embargo was tightened by the Helms-Burton Act of 1996. By not engaging Cuba, the U.S. is limiting the access of the Cuban people to the very thing that America is trying to promote: freedom, both political and economic. Opening up the market on a limited basis will allow a freer flow of American ideas and products into Cuba.

ECONOMIC RECOMMENDATIONS

Working to promote gradual market reform by the Cuban government, combined with a partial lift of the embargo may prove to be the best alternative policy. In order to protect the rights of U.S. citizens to invest and empower the civil society in Cuba, the partial lift should occur via a multi-stage process.

Stage one:

- **Allow limited trade between the U.S. and Cuba through a partial lift of the embargo**

  Re-opening Cuban-U.S. trade on a limited basis will enable long-term improvement in both the Cuban economy and in Cuban-U.S. relations. Cuban officials seem to welcome the opportunity to prove their nation’s value in the world market place. Cuban Deputy Minister Fernando Remeriez De Estenoz told the Los Angeles World Affairs Council in 1998, "It is obvious that Cuba as a market has nowhere near the colossal dimensions of China. But it is also evidenced that Cuba is about to take off as an emerging market of 11 million people with a high level of education. With all candor, I believe that U.S. corporations and American workers are missing business opportunities in Cuba as a result of the absence of normal relations between our countries."

  It should be acknowledged that this liberalization of trade is not guaranteed to produce immediate results, but there are potential goods that could produce favorable trade relations. It is hoped that this liberalization of policy will begin to nurture a cooperative relationship that will be essential to further expanding
commerce that has been stalled for nearly 40 years. Lifting the embargo in a limited fashion will initiate a new era in U.S.-Cuban relations.

Specific goods should be allowed through monitored trade.

- **Exports to Cuba from U.S.:** Limited technology that does not breach national security guidelines; communications equipment; and agriculture.

**Technology:**

Cuba has a poor technology infrastructure. The U.S. could assist development. We recommend that technology exports be allowed with similar restrictions to those on China. According to the Bureau of Export Administration, our four-tier system of computer exports allows Afghanistan, China and Cambodia fewer restrictions than Cuba.

Areas of concern for technology exports would involve encryption software packages and those capable of aiding military or terrorist groups. The Clinton Administration has become more lenient with software licensing on encryption products, even for China, but this particular licensing should be thoroughly evaluated given Cuba’s inclusion on the State Department’s list as a state sponsor of terrorism.

**Agriculture:**

Several American agricultural producers have shown a clear interest in exporting products to Cuba. This avenue would supply some of the food stuffs that Cuban’s strained production cannot fulfill. Canada has attempted to fill this void through its exports of agri-products, which Cuba has accepted. In 1995, Canada exported approximately $64 million (US.) in agri-products to Cuba and currently maintains a U.S.$94.4 million trade surplus with Cuba.

- **Imports from Cuba to U.S.:**

The development of farmers’ markets provides some evidence that a freer market could develop in Cuba. The most robust area of Cuba’s agricultural industry appears to be its highly popular cigar production. In 1998, production reached $160 million and exports $180 million. The strength of this production and its growth indicates an adequate supply as the U.S. market opens to this product. However, no clear forecasts can be made because of data inaccuracies.

Agricultural imports would be the first avenue for the U.S. in beginning a two-way trading relationship with Cuba. The expansion to other imports would be proposed after careful evaluation of this phase.
Lift restrictions on the remittance amount currently allowed by the U.S. government from $1,200 a year per person to an unlimited amount.

Removing the $1200 limit would increase the direct flow of hard currency to Cuban nationals with family ties to America. By lifting the cap, Cuban-Americans would be able to send support in the amounts they deemed adequate. In turn, they would bear the private risk of confiscation by Cuban police or officials.

Stage two:

- Contingent upon U.S. companies ability to directly pay their employees and in compliance with the Arcos Principles advocated in February of 2000, allow foreign direct investment in the tourism, energy and telecommunications sectors.

As indicated previously, these sectors display potential for market growth. These investment areas are also promoted by the Cuban state as priorities for foreign investment. This interaction would be crucial in building a cooperative framework.

The direct payment contingency would ensure
that the Cuban market will continue to strengthen its purchasing power as a whole rather than enriching the state. Cubans’ ability to purchase or be active participants in the economy is highly limited by the current wage system the government exercises. Foreign companies are forbidden to hire Cubans directly. These companies must hire people whom the government chooses and pay the wages to the government in hard currency. The government then pays the worker a fraction of the amount they earned, in Cuban Pesos. The main benefit of the investment thus accrues to the regime, strengthening it with additional resources. To ensure a satisfactory level of production, businesses often are forced to pay wages twice – first to the government and then to the workers, through bonuses or unauthorized payments.

After careful analysis there is one looming question: Should U.S. companies look forward to participating in the Cuban Economy? Currently we can identify over 50 U.S. companies supporting modification to the existing embargo against Cuba. Among them are: AT&T; Sears; Tandy; General Motors; Samsonite; K-Mart; The Gap; Rockwell; Harley Davidson; Time; CNN; AGCO; Archer Daniels Midland (ADM); Dow Agrosciences; and Syfrett Fedd research divisions; American Cyanamid; the Iowa Corn Promotion Board; Premium Standard Farms; and Mid America Ag Network.

Investors should consider that the infrastructure in Cuba is deteriorating and the country cannot continue to sustain extensive growth unless substantial capital is invested in this area. Additionally, the markets are underdeveloped in Cuba and are not in a position to grow significantly.

Cuban Civil Society

The necessary precursor for a peaceful transition in Cuba is the strengthening of the civil society. In order to thrive, societies must have schools, churches and other private sector action groups. These institutions strengthen the bonds that facilitate change. With the 1999 State Department initiatives, the United States undertook new efforts to promote people-to-people contact between Americans and Cubans. The measures expanded two way exchanges among academics, athletes, scientists, and others. An extension of these efforts, coupled with further action, will strengthen Cuban society.

Structure

The demise of the Soviet Union and the socialist bloc left Cuba bereft of political allies, trading partners, and of the massive Soviet subsidy estimated at $65 billion between 1960-1990. Cuba, already flailing with the failures of the rectification, plunged further into a profound crisis euphemistically called "the Special Period in Time of Peace" (SP).
The shrinking of the Cuban state and the breakdown of its ability to control society was a clear consequence of the SP.

"Our goal is to encourage the development in Cuba of peaceful civic activities which are independent of the government, and that will help the Cuban people prepare for the day their country is once again free."

Madeline Albright
U.S. Secretary of State

A socio-political phenomena soon developed primarily in response to the decrease in state control, changes in the international environment, and the unexpected consequences of the limited economic reforms and political adjustments made in the period 1992-1994. Until this point, the regime had maintained tight control over change allowing for tinkering only when deemed absolutely necessary and containable. Cuba’s usual response to social discontent was implemented with varying degrees of severity depending on the group: open cooperation, co-optation, preemption, mere toleration and open antagonism. In addition, some would say the regime utilized its "exile option," the exportation of real or potential opponents to other countries. Thus, whenever civil society players emerged that were harmful to the regime those involved were shipped out.

Historically speaking, religious practice was the only public form of dissent that was tolerated, albeit under significant restrictions. For example, believers and their children were kept under special scrutiny and were denied access to a wide category of educational and job opportunities.

During the SP, the regime vacillated between complete repression in some areas and allowance of decompressive organizations or entities in other areas. Tentative moves toward liberalization began in 1992 followed by a crackdown in mid-1996. However, during this liberalization period, some of the most relevant political changes that affected state-society relations ensued: the creation of a Cuban "non"- governmental organization sector, an increase in the role of foreign NGOs and international agencies in Cuba, and the decision to allow religious believers to join the Communist Party. Due to these developments, a slow process of public revitalization and reconstitution of civil society began.

The associative life in Cuba can be divided into three parts. (chart.) The defining component of all three groups is their relationship to the party-state. None of these groups are mutually exclusive. In other words, a group can move from one to the other and there is the acknowledged possibility of interplay between any and all of these groups.
Socialist civil society, as defined by the Cuban government, consists of all mass organizations and legal NGOs and associations registered under the 1985 Law Number 54 on "Associations and their Regulation," along with Articles 39, 396 and 397 of the 1985 Civil Code. The significance of Cuba recognizing a civil-society should not go unnoticed. It reflects the growth of "outside" influences on the Communist Party-state. The NGO boom was apparent in Cuba particularly in 1995—over 2,200 organizations were recognized as "non-governmental." It is important to acknowledge that NGOs in Cuba must be in agreement with the Cuban state and are often created by the state. This is unique. Most NGOs in developing countries represent non-state entities and often actually embody anti-state sentiments. "In Cuba, relations between government institutions and civil society do not have an objective or subjective basis for the development of antagonism, but instead for cooperative relationships."

There are conflicting views as to whether or not government endorsement of NGOs is financially motivated. For example, in 1995 Gillian Gunn observed that, "Cuban NGOs grew because the government deemed them useful financial intermediaries and because citizens desired self-help organizations capable of resolving local problems the state was unwilling or unable to address." In other words, the Cuban government’s endorsement was a matter of necessity. For example, the Center for European Studies (CEE), formerly a Communist Party think tank, is now an "NGO" receiving foreign assistance and acts as a clearinghouse for other NGOs receiving aid.

In sum, the social organizations and activities that constitute emerging civil society in Cuba today emanate from five major sources: (1) the state itself; (2) remnants of pre-Revolutionary civil society, especially the churches and fraternal organizations; (3) revisionists and dissidents from the Cuban Communist Party; (4) dissident and human rights movements; and (5) informal personal and social networks. While the emergence of civil society in Cuba means that an essential change has taken place in the nature of the regime, its presence does not necessitate a regime change or a democratic transition. However, the strength of civil society will help determine which path the polity takes.

**A CLOSER LOOK AT REALITY**

Cuba’s civil society is deficient in comparison to Eastern European countries in 1989 when the whole world witnessed the collapse of communist regimes. It lacks those
individuals, organizations and entities that "lie beyond the boundaries of the family and clan and beyond the locality," but also "lie short of the state." While weak prior to 1959, the exodus of Cubans to the United States and the suppression (via prison or other means) of still others who remained in Cuba served to shortchange the human capital and resources to sustain a healthy and growing civil society.

According to the former Turkish Ambassador to Cuba (1993-1998), Honorable Aykut Berk, the Catholic Church is an integral part of Cuban society. He believes it is probably the most reliable participant in the search to enhance civil society in Cuba and a strong potential conduit of change. Referencing more open avenues of dialogue, he acknowledged the success of Pope John Paul II’s visit in 1996 and further elaborated on the growth and invigorated participation of Cubans in the Catholic Church. Particularly effective is Caritas, the Catholic Church’s European-based relief agency, which has successfully orchestrated the distribution of medicines and other relief shipments and established itself as a "genuine" (not government-run or manipulated) NGO operating in Cuba. Recently the Catholic Church has established itself as an entity operating outside of a solely "religious" mission, working at the grass-roots level to repair the larger civic culture of Cuba. For example, lay workers teach home-study courses on the fundamentals of democracy.

While the Catholic Church is particularly on the rise and demonstrating recognizable influence in Cuba, other Protestant churches and Afro-Cuban religions have also emerged. Protestant-evangelical churches are experiencing increased fervor regarding the expression of their faith. According to Christianity Today, a literal religious revival has ensued in Cuba.

The Afro-Cuban religions are encompassed by three primary cults—Santeria, Palo Monte, and the Abakú secret societies—which have been a part of the Cuban society since the 18th century. The Santeria religion experienced heightened participation following the 1989 period of extreme disillusionment. According to Andres Oppenheimer’s report, unlike the Catholic Church, the Santeria religion offered worshipers short-term relief from life’s daily drudge without moral chastisement. Following the upsurge of the
Santeria religion, the Party’s Central Committee moved to "co-opt" the Santeria and other Afro-Cuban religions via increased political, economic and media support. The regime sought not only to subvert the Afro-Cuban religions but to simultaneously weaken the Catholic Church, perceived as the most threatening of all religions. In other words, the regime was consistently looking for opportunities to compromise and corrupt actors in civil society knowing full well that priests and religious leaders know people’s secrets better than anyone else. According to Oppenhiemer, government containment of religion is still alive and well.

In summary, the civil society in Cuba is slowly emerging as a catalyst for true change from the bottom up; however, it is slow and hampered. The ballooning of religions and NGOs is evident and considered a key component in the growth of associativelife across the board. Concerns regarding the emergence of truly independent NGOs remain. To become a legal NGO, an organization must register with the Ministry of Justice and meet a number of criteria. Some of the criteria include giving the government the right to dissolve any NGO or deny legal existence. Although the full development of civil society is likely to take many years, churches and NGOs are still major actors who should be viewed as catalysts for change. While civil society alone does not hold the keys to unlocking the nation of Cuba, it is certainly a primary component that must work in conjunction with other methodologies to provide the foundation for transformational change in Cuba.

CIVIL SOCIETY RECOMMENDATIONS

Strengthening of Cuban civic culture is a necessary precursor to a peaceful transformation in Cuba. In addition to the measures providing assistance to Cuban society, stipulated by the Helms-Burton Act, the following action items should be implemented:

- **In compliance with 1999 State Department initiatives, Congress should pass a resolution endorsing U.S. NGO involvement in Cuba.**

  It seems apparent that one of the best mechanisms to enhance civil society in Cuba is via encouragement of civic organizations in the United States. In this manner, assistance from the United States will come from the "bottom-up" versus the "top-down." In other words, the United States should model what it hopes Cuba will someday embody—a healthy, thriving culture able to enhance education, information flows and general mores that any culture must have as a part of its foundation.

- **Congress should endorse the USAID/Cuba Program proposed in January 2000.**

  In addition to encouraging NGOs, churches and other intermediary institutions in America to extend a helping hand, the USAID/Cuba Program proposal is a
partnership we endorse and believe will provide a stepping stone to accomplish
the following objectives:

- Increase information flows to and from the island and within the island
- Decentralize and expand communication networks on the island
- Increase contacts and exchanges with Cubans
- Encourage European and U.S. NGOs to strengthen ties with Cuba’s civil
  society actors
- Aid individuals and NGOs in becoming more financially independent of
  the Cuban state

*Please see appendix for detailed description of USAID/Cuba Program.

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<td>Other</td>
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**Immigration**

Cuban migration to the U.S. began long before Castro. As early as 1880, 12,000 Cubans
were living in the U.S., centered in New York, New Jersey, Florida and Boston. 20th
Century Cuban immigration has always been related to economic and political
conditions, but following Castro’s takeover, a new pattern emerged. In 1930, immigration
from Cuba was a result of economic crisis. In 1959, came the first Cuban political exiles.

Cubans have fled the Castro regime for U.S. soil since the day after the Revolution. The
recent Elian Gonzalez case highlighted the extreme risks Cubans are willing to endure in
order to escape the Castro regime. An estimated 40,000 Cubans have died at sea trying to
escape to the U.S. After facing 90 miles of open seas in order to reach free shores, the
battle for émigrés is far from over. Immigration procedures complicate their quest for
freedom.
An Issue of Security?

The U.S. has attempted to curtail Cuban immigration efforts, but the lure of America is strong. In spite of Castro’s efforts to inculcate hatred for America and everything American; the average Cuban dreams of America and what it represents. Cubans are not the same as twenty-five years ago. Though Castro recently claimed that Cuba’s "most upright and patriotic people fear life in U.S. society," the evidence suggests that many Cubans dread life in Cuba more. Without political liberty and few economic prospects at home, Cubans continue to seek freedom in the United States. The stream of refugees could very well increase. The Strategic Studies Institute, (SSI) states:

Caribbean migration will increase substantially and could very well reach crisis proportions if the Castro regime comes to a violent end. Castro himself will probably be gone by 2008. In the meantime, however, economic hardship in Cuba will continue to provide a strong incentive for emigration, and, if relations with Washington remain poor, the regime may encourage further exoduses to release domestic political pressures or to retaliate against the United States.

Castro may attempt to use immigration as a tool of indirect warfare, but it is hardly necessary. The effect is the same whether it is state-sponsored, or the product of independent action. The United States has great difficulty handling the question of Cuban immigration.

Cuban Refugees: Human Rights in Exile?

Unlike other communist regimes, Cubans have experienced considerable difficulties in emigrating to American shores. It had been traditional with Soviet citizens during the Cold War or North Vietnamese during the Vietnam War to consider the oppressive regime under which they live as adequate proof of oppression, and therefore, enough evidence to authorize legal immigration.

A major issue in the immigration debate concerns the true intent of refugees. The question is whether Cubans, in consideration of the government structure under which they live, are truly political refugees and not simply economic migrants. The difference between these two definitions is extreme. There is a dramatic difference between a refugee in desperate flight from the persecution of a tyrannical regime and the calculated plans of someone seeking higher wages or better living conditions.

Refugees are thought of as being pushed from their homeland by a direct and immediate threat to their personal rights and liberties. Economic migrants are drawn by the attraction of individual opportunity or financial security. Economic migrants, on the basis of being pulled to our shores in search of higher standards are not expected to return to their native lands. Having settled in America, they will most likely remain.
Political refugees, in theory, have no desire to remain in the United States. It is assumed that when there is a change in government leadership, these refugees will return to their homeland. The Immigration and Naturalization Service has been unable to clearly identify which category arriving Cubans should be placed.

The 1980 Mariel Boat Lift signaled a change in U.S. immigration policy. Having assisted nearly 30,000 Cuban immigrants to the United States, it became clear that the flow would not subside. The Refugee Act of 1980 sought to eliminate the prevailing geographical and ideological preferences and to emphasize that persecution, not provenance, was to be the basis for determining refugee eligibility.


"A refugee is defined as a person outside of his or her country of nationality who is unable or unwilling to return because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion."

By Presidential determination certain refugees may be processed while still in their countries of origin. This applies to Cuba as well. While in-country processing was designed to be an exceptional remedy of a compelling need, a large percentage of all refugees admitted to the United States have been processed in-country.

### A Well-Founded Fear

On November 19, 1997, President Clinton signed the Nicaraguan Adjustment and Central American Relief Act (NACARA). This rule established procedures for certain nationals of Nicaragua and Cuba who have been residing in the United States to become lawful permanent residents of this country. The rule also allows certain Nicaraguans and Cubans to apply for legal permanent resident status without having to apply for an immigrant visa at a United States consulate abroad.
The message sent by the Clinton administration is that a well-founded fear of persecution does exist in these countries. Even with the existence of a refugee processing center in Cuba, this recognizes the urgency and desperation that some Cuban nationals experience. However, NACARA only applies to Cuban nationals who have resided in the United States since 1995 and does not apply to those who arrive under more desperate circumstances. Supporters of expanded Cuban immigration contend that to assure America's role to protect unalienable rights of all people, we must extend this right to those refugees who arrive on our shores, particularly Cubans leaving their homeland by raft or crowded into boats.

The Immigration and Naturalization Service has been reluctant to make this adjustment fearing a repeat of the Mariel Boat Lift. To return refugees to Cuba or detain them in internment camps for months or years is in direct and inhumane contrast to the U.S. quest for life, liberty and the pursuit of happiness.

The INS must review its current policy toward Cuban immigration.

Cuban Immigration Reform Recommendations

More cooperation is needed between Havana and Washington in combating the difficulties surrounding Cuban-American immigration. The following action should be taken:

Havana-Based Immigration Adjustments

- Promote an overall expansion of the U.S. Interests Section in Havana. Presently only one-third of refugee applications that are eventually authorized are processed in Havana. The role of the U.S. Interests Section in Havana (presently located in the Swiss Embassy,) should be expanded. Ultimately, this office should be able to process a minimum of two-thirds of these
applications. If more progress can be made in Havana, less resources will be needed in Miami and the United States.

- **Expedite the application process.** The application process has been slowed by policies of the Cuban government. An impending émigré is required to present various documents, including proof of asset relinquishment, before being allowed to leave the country. American immigration officers and other influential personnel should make a concerted effort to minimize this process, which presently takes up to 6 months to complete.

- **More funds should be made available to employ additional officers and personnel to expedite refugee and immigrant visa processing in Havana.**

**U.S.-Based Immigration Adjustments**

- **A more liberal family-reunification policy should be implemented to allow the Cuban-American community to support new arrivals via expansion of INS processing.** At present there are only eight INS offices in the country eligible for processing refugee and asylum cases. This should be expanded to 12, including 2 additional offices in Florida and Texas.

- **The petition process should be streamlined.** Applicants awaiting petitions from relatives should not be forced to wait the normal 2-3 month period. Due to the fact that there is no ceiling for family-based applications these cases may be expedited pending CIA name-check clearance.

- **Adequate funding should be provided to allow the CIA name-check process to be minimized to a one or two week waiting period.**

- **The recent reclassification of criminal status needs to be evaluated.** Current problems in the nine U.S. detention centers have dramatically increased due to the extended detainment of criminals. Until 1996, only a small number of parolees were detained because of a criminal past. The list of crimes that eliminate a person from immigration consideration has been expanded to include an entire new level of criminal activity, mainly petty theft and misdemeanors. In effect, this places hardened criminals along side minor offenders, increasing the danger to both detainees and INS personnel, as well as increasing the overall cost of incarceration. This policy should be adjusted to account for the seriousness of the crimes committed.

- **The current number of detention centers should be expanded to 12 and delineated by classification of inmate, thereby making each center smaller and more tenable.**
• **The agreement with the Cuban Government in 1994 must be re-assessed.** This was an agreement with the Cuban government that allotted 20,000 immigrant visas to Cubans with the understanding that the U.S. would return particular immigrants to Cuba. To curb the flow of illegal immigration, the U.S. agreed to stop ‘irregular’ immigration. This was defined as any person arriving by boat. In return the Cuban government would patrol its borders to stop those who attempt to immigrate illegally. What transpired was a system where anyone setting foot on American soil was considered eligible for parole while anyone arriving at sea was ineligible. This "wet-foot, dry-foot" policy must be adjusted to encompass all who arrive within the 12-mile international water boundary.

Overall, the U.S. must re-evaluate its immigration policy in light of the political changes that have occurred since the end of the Cold War. By initiating a sensible and consistent immigration policy toward Cuba, we can help to heal old wounds, bring families together, and reassert ourselves as a nation that holds human rights and the sanctity of the individual in the highest regard.

**Policy Summary**

It is clear that U.S. policy toward Cuba must change. It is also clear that little substantive change will take place in Cuba while Castro remains. But the world around Castro is changing at an increasing rate, and so too should America’s posture toward Cuba. The rise of the information age has opened the door to a whole new world of international relations. Speaking on the rise of the Internet, Former Vice Presidential candidate, Jack Kemp, has declared "America is at the epicenter of the greatest revolution the world has ever seen. This is 1776 for the whole world."

The old adage that information is power takes on increasing relevance in the 21st Century. The free exchange of information has been instrumental in the transformation of the geopolitical sphere. Ambassador Berk considers the exchange of ideas with the West as the key element in the fall of the Iron Curtain, saying "It was information and people-to-people contact that hastened the collapse of Communism in Europe." Information and people-to-people contact holds the same power to promote change in Cuba, if the United States undertakes the necessary ventures to put America in full public view of Cuba and works directly with Cuban people to promote change.

The current global climate is such that it warrants the opening of Cuba. Without the cooperation of the global community, U.S. Cuban policy has been rendered ineffective and isolating. In order to promote change, the United States cannot stand alone. With the explosion of global commerce, other nations are less receptive to perceived American
self-righteousness. The perception that America refuses to accept international constraints makes it difficult for America to persuade other nations to accept constraints, especially in a time of economic prosperity.

The U.S. has been resistant to international pressure, but working within a multi-lateral framework does not mean giving up a piece of U.S. sovereignty in order to acquiesce to the demands of other nations. It is a matter of respecting the sovereignty of other nations. This presents the opportunity to promote internal changes in other nations through the strength of American ideas, rather than through external pressures. In the words of Jack Kemp, "We should be in the business of promoting the truth, our products, our ideas, to the whole world." Kemp refers to this as a "foreign policy predicated on the Golden Rule," and is confident that the strength of American ideas will continue to flourish around the world. In time, Cuba too will evolve into a free-market society headed by a regime that is not hostile to Washington.

Such idealistic notions of foreign policy might appear to be flights of fancy; however, the global nature of the world order and economy make such notions possible in a way that is unprecedented in world history. Better communication and quick access to information makes the world a much smaller place. The economic liability of armed conflict and hostile diplomacy has risen sharply. The interdependent nature of the global economy serves to enhance global security. The security threats that will arise will spring from nations which are not included in the new economy, and as such it is all the more imperative that the U.S. work to bring Cuba into the fold.

Though large-scale change in Cuba is not likely while Castro rules, human mortality dictates that a change in the regime is on the horizon. By altering its philosophy toward Cuba, and beginning the journey toward more open relations now, the United States can continue to champion the cause of change in Cuba. Undertaking the assumption that there will be a regime change in Cuba by 2008, the United States can plan for that eventuality via this multi-stage plan:

- Re-opening U.S.-Cuban trade on a limited basis will enable long-term improvement in both the Cuban economy, and in Cuban American relations.

- Increasing the amount of remittances to Cuba will potentially increase the amount of hard currency in the Cuba economy and invigorate the purchasing power of the Cuban people. More currency means the ability to purchase more goods, and given the popularity of American products world wide, this should mean an explosion of American goods in Cuba.

“You want to bring down Castro? Send him, fax machines, e-mail, and open up Cuba to the power of free enterprise.”

Jack Kemp, Former Vice-Presidential Candidate
• Allowing U.S. companies to invest in Cuba will help further integrate Cuba into the global economy. A relaxation of American posture in Cuba may induce Castro into reciprocity, allowing for U.S. companies to pay Cuban workers directly. If Castro does not make this change, the United States has still opened its door to Cuba, removing much of Castro’s rhetorical power to blame the U.S. for the impoverishment of his people. If this change is allowed, Cuba will be well on the road to a free market economy.

• Facilitating travel to Cuba will enable family visits and cultural exchanges, enabling the people to people contact necessary for change. Promoting change in Cuba must begin at the level of civil society. The Cuban-American community is in a unique position to help lay the foundation for a new Cuba.

• Supporting the development of civil society in Cuba will enable the strengthening of education, infrastructure and the organizations necessary for a democratic society. This allows the development of a new Cuba, built from the bottom up.

• Improving communication between Washington and Havana, and streamlining the immigration process should help ease the strain of Cuban immigration.

• As the economic changes ease the conditions in Cuba, there will be a drop in the number of Cubans trying to emigrate to America.

In assessing the best interests of the United States, it is clear that those interests include a peaceful, prosperous and friendly Cuba. While not a silver bullet, or an instant fix, this policy presents an approach that will lead to that relationship in the not-to-distant future. When the regime change in Havana finally happens, the United States will have had the opportunity to cultivate a peaceful and prosperous relationship with Cuba and its people.

Implementation Plan

Economic-Stage One:

In compliance with the Department of Commerce’s Bureau of Export Administration, licensing requirements will be expanded to include the additional provisions as stated in Stage One of the economic recommendations.

Costs: Stage one will not require additional expenditures and may actually reduce costs due to streamlining.
Economic-Stage Two:

In compliance with the Arcos Principles as released by the Office of Cuban Affairs, Bureau of Western Hemisphere Affairs, Department of State, February 16, 2000, Stage Two of the economic recommendations will be implemented.

Costs: Stage two will not require additional expenditures.

Recommended Legislation:

In the short run, the passage of the Cuban Food and Medicine Security Act of 1999 (HR 1644 and S 926) is essential to allow for the implementation of Stage One of the proposed economic recommendations; however, it must be expanded to include "limited technology" as defined in Stage One of the proposed economic recommendations.

Sponsor: Jose E. Serrano D-NY
Cosponsors: 138 Democrats/24 Republicans

The Cuban Food and Medicine Security Act is currently in committee.

The passage of the Cuban Humanitarian Trade Act of 1999 (HR 230) is an alternative to HR 1644; however, it must be expanded to include agricultural products and "limited technology" as defined in Stage I of the proposed economic recommendations.

Sponsor: Charles B. Rangel D-NY
Cosponsors: 55 Democrats/10 Republicans

The passage of the Free Trade With Cuba Act (HR 229) should be considered.

Sponsor: Charles B. Rangel D-NY
Cosponsors: 16 Democrats/0 Republicans

Civil Society:

The implementation of the USAID/Cuba Program as submitted in January 2000. USAID allocations total $5,278,000.

Costs: The civil society cost of implementation process should not exceed the costs of the USAID/Cuba Program of January 2000.

Immigration:

Due to the streamlining of the I-130 Petition process, immigration expenditures and personnel once used in this long, drawn-out process can be reallocated towards the additional costs and personnel needs of the four new INS offices in the United States and expansion of Consular services in Havana. Streamlining will also accommodate the
expenditures necessary to minimize the CIA name-check process.

**Support for Implementation:**

An essential component of the implementation process is linked to support from both public and private individuals and entities, both national and international. The appendix identifies an unexhausted list of potential supporters. The list was comprised based upon public statements and voting records of those listed. Once again, we acknowledge this is an unexhausted list that consistently grows. Working together as private citizens, public servants and private and public organizations, is the only way to ensure a successful implementation.

We believe there is growing support for the implementation of the aforementioned policy recommendations based upon the experiences of U.S. elected officials like conservative Representative Mark Sanford, (R-SC) Following two trips to Cuba, in 1997 and last October, he proposed easing a 40-year policy of unilateral sanctions that he says accomplishes little for either Cubans or Americans. This is a marked shift in his position.

While the fight in Congress could be a long one, there is evidence of growing support and increasing pressure for change in the United States policy towards Cuba. Major agribusiness companies, and organizations including the American Farm Bureau and the U.S. Chamber of Commerce, oppose unilateral sanctions overall and see Cuba as one of several potential new venues for U.S. goods and investment. Their pressure on members to change their views and their votes has met with some success, most prominently with last summer’s sanctions-lifting vote in the Senate.

**Future implementation considerations should include but not be limited to the following:**

If normal relations are restored with Cuba, the president should appoint a senior coordinator in Washington to oversee the implementation process, including but not limited to, the continued management of aid and assistance, liaison work with multinational organizations and the establishment of contacts with Cuban officials. Simultaneously, the head of the U.S. Interests Section in Havana should be appointed in charge of affairs while the president begins the process of appointing an ambassador.

All aid programs should be designed to have limited duration and encourage the processes of political reform, economic self-reliance, domestic and foreign investment, and positive trade relationships.
Concluding Remarks

The change in Cuba will be slow and gradual, a difficult sell in the fast paced world of American politics. However, as the recognized leader amongst the nations of the world, it is incumbent upon the United States to act accordingly. Strong, prosperous, and confident in our ideas, a mature America can afford patience.

With the inclusion of China in the WTO, and recent moves toward the normalization of relations with North Korea, the U.S. has redefined its approach to combating communism. In the adoption of this new policy toward Cuba, there is the opportunity to complete that transition, and seek 21st Century solutions to old problems.

Pepperdine School of Public Policy

Class of 2000

Cuba Policy Capstone Project

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Evelyn Aleman   •  Melisa Carrol
Felix       •  Ximena Del Carpio
•  Steven Fischer
Jennifer Hackman    •  Danita Leese
MacIntosh         •  John Machado
•  Kristina
•  Tasha Roedl

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Notes


7Clausing.


9Ibid.


11Ibid.

12 Ibid.

13 Ibid. p.11

14 Ibid.

15 Ibid.


18 Ibid.


http://www.lawac.org/estenoz.html


30 Ibid.


33 Ibid.

34 Richard, Garfield DrPH. And Sarah Santana RN, ”The Impact of Economic Crisis and the U.S. Embargo on Health in Cuba,” American Journal of Public Health 1997
35 Ibid.
36 Ibid.
37 Office of Congressman Jose Serrano
38 Remeriez de Estenoz.
42 Betancourt.
43 Betancourt.
45 UNIDO WEB: *Integrated Program: Cuba.* These are some suggestions identified and defined by the United Nations.
46 Betancourt.
47 Maybarduk, G, page 5.
48 Betancourt.
49 Fletcher, P.: *Brave Investors Look to Cuban Opportunities.* The Financial Times (October, 1997).
51 Betancourt, 280.
54 Ibid.
55 Ibid.
58 Mesa-Lago, C: *ECLAC’S Report on The Cuban Economy in The 1990’s.*
59 Remeriez de Estenoz.
62 Betancourt.
64 The Cuban government proclaimed the "Special Period" in August 1990. The crisis has its roots in Cuba’s inefficient economic system, it its extreme dependence on Soviet aid and trade with the socialist bloc.
65 Fidel Castro learned the lessons of the Soviet bloc collapse: make as few reforms as possible; keep the party united, lean and mean; deal harshly with potential or evident disloyalty; and do not allow a formal opposition to organize (Dominguez 1993).
67 In February of 1996 the regime cracked down on Concilio Cubano and Raul Castro gave a speech to the Fifth Plenum of the Politburo in March.
68 Espinosa, p.352.
69 Associate Life strictly defined embodies any and all aspects of organized society—the public existence and operation of any group regardless of their autonomy from the state or other governing authority. Its distinguishing characteristic in relationship to civil society is the irrelevance of state autonomy.
70 Espinosa.

72 Many of the NGOs were re-labeled mass organizations. To name a few—the Federation of Cuban Women (FMC), the National Association of Small Farmers (ANAP), the Committees for the Defense of the Revolution (CDR), Ideas Bank Z, the Cuban Council of Churches, the Felix Varela Center, and the Martin Luther King, Jr. Center.

73 Espinosa, p. 353.
75 Espinosa.
76 Gunn, No. 7, p. 6.

77 Interestingly between the period of 1970-1986 Cuba’s political prison system served as a literal greenhouse for dissident and opposition. It would not be an overstatement to say that today’s ACS was yesterday’s prison population.

78 Espinosa, p. 356.
79 Espinosa, p. 364.
80 Over 870,000 Cubans migrated to the United States between 1959 and 1994, approximately 13% of the 1959 Cuban population, many of them businessmen, professionals, trade unionists, political leaders, students, etc.—all vital actors in a healthy and functioning civil society.
81 This information was provided by the Honorable Aykut Berk on a personal interview cited above.
82 Gunn.
83 Gonzalez, p. 56.
85 Gonzalez, p. 56-57.
86 In 1995, the government jailed a Pentacostal minister who refused to stop using his home as a religious meeting place. Simultaneously, the government closed down 85 of the 101 evangelical centers in Camaguey. (2) p. 59
87 Gonzalez, p. 57-58.
88 Track II of the Cuban Democracy Act (Helmes-Burton) stipulates:

- "the President is authorized to furnish assistance and provide other support for individuals and independent nongovernmental organizations to support democracy-building efforts for Cuba, including the following:
  - Published and informational matter, such as books, videos, and cassettes, on transitions to democracy, human rights, and market economies, to be made available to independent democratic groups in Cuba.
  - Humanitarian assistance to victims of political repression, and their families.
  - Support for democratic and human rights groups in Cuba.
  - Support for visits and permanent deployment of independent international human rights monitors in Cuba.
- OAS Emergency Fund
  - For support of human rights and elections
  - Action of other member states
  - Voluntary contributions for fund
- Denial of funds to the Cuban Government

90 Schulz.
91 Jack Kemp, Address at Pepperdine University, March 16, 2000
92 This information was provided by the Honorable Aykut Berk on a personal interview as cited above.
93 Jack Kemp.
# APPENDIX A

## CUBAN DEMOGRAPHICS

<table>
<thead>
<tr>
<th></th>
<th>1959</th>
<th>1982-83</th>
<th>1999</th>
<th>Rank in Latin America</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life expectancy</td>
<td>60 yrs</td>
<td></td>
<td>76 yrs</td>
<td>1</td>
</tr>
<tr>
<td>Infant mortality rate</td>
<td>64/1000</td>
<td>7.5/1000</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Literacy</td>
<td>62%</td>
<td></td>
<td>98%</td>
<td>1</td>
</tr>
<tr>
<td>Number of Doctors</td>
<td>3,000</td>
<td></td>
<td>65,000 (1/200)</td>
<td>1</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elementary-school attendance</td>
<td>800,000</td>
<td>3,300,000</td>
<td></td>
<td></td>
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<tr>
<td>Secondary schools</td>
<td>80</td>
<td></td>
<td>1,900</td>
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## Embargo's Purported Impact on Health

<table>
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<tbody>
<tr>
<td>Calorie Availability</td>
<td>Fell 18%</td>
<td></td>
</tr>
<tr>
<td>Protein per capita</td>
<td>Fell 25%</td>
<td></td>
</tr>
<tr>
<td>Caloric intake</td>
<td>Dropped 33%</td>
<td></td>
</tr>
<tr>
<td>Newborn weight</td>
<td>Under 2500g rose to 9%</td>
<td></td>
</tr>
<tr>
<td>Water connections</td>
<td></td>
<td>Declined from 83% to 81%</td>
</tr>
<tr>
<td>Under Chlorinated Water</td>
<td>Fell from 98% to 26%</td>
<td></td>
</tr>
<tr>
<td>Total dollar value for health</td>
<td>Fell from $227 million to $67 million</td>
<td></td>
</tr>
<tr>
<td>Foodstuff imports</td>
<td>Fell 50%</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX B

CUBAN TREATIES AND DIPLOMATIC RELATIONS

Cuba has diplomatic relations with over 160 other countries, and there are more than 80 embassies in Havana. Cuba has economic ties/relations with 125 different countries. In 1999, in the General Assembly of the UN, 152 countries voted in favor of a Cuban resolution against the U.S. embargo. Only 2 countries, one of which was the U.S., voted against the resolution. Cuba has civilian assistance workers, principally medical, in more than 20 countries.

Cuba is party to 14 international environmental agreements.

Cuba is also a participant in 36 different international organizations including the UN and Interpol.

The main Cuban territorial dispute is with the U.S. over Guantanamo Bay. The U.S. continues to operate the base, under lease, by the "Treaty on Relations" signed May 29, 1934. The original treaty for the base was signed in 1903. The treaty remains in force and can only be terminated by mutual agreement or by unilateral abandonment by the U.S. The Castro government does not recognize that treaty. Every year a formal ceremony is held by the Cuban government and the lease-payment check is officially burned.
APPENDIX C

USAID/CUBA PROGRAM
January 2000

GOAL: Promote a Peaceful Transition to Democracy in Cuba

OBJECTIVE: Increase the Free Flow of Accurate Information on Democracy and Human
Rights To, From and Within Cuba

PROGRAM ELEMENTS

BUILDING SOLIDARITY WITH CUBA'S HUMAN RIGHTS ACTIVISTS
Freedom House: Transitions ($500,000 - completed)
Center for a Free Cuba ($900,000)
The Institute for Democracy in Cuba ($1,000,000)
Cuban Dissidence Task Group ($250,000 - completed)
International Republican Institute ($725,000)
Freedom House: Cuban Democracy Project ($275,000)

GIVING VOICE TO CUBA'S INDEPENDENT JOURNALISTS
Cuba Free Press ($280,000)
Florida International University ($292,000)
CubaNet ($98,000)

HELPING DEVELOP INDEPENDENT CUBAN NGOs
Partners of the Americas ($172,000 - completed)
Pan American Development Foundation ($237,000)

DEFENDING THE RIGHTS OF CUBAN WORKERS
American Center for International Labor Solidarity ($195,000)
National Policy Association ($225,000)

PROVIDING DIRECT OUTREACH TO THE CUBAN PEOPLE
Cuba On-Line ($300,000)
Sabre Foundation ($85,000)

PLANNING FOR TRANSITION
Rutgers University: Planning for Change ($99,000)
International Foundation for Election Systems ($136,000 - completed)
U.S.-Cuba Business Council ($567,000)
EVALUATING PROGRAM IMPACT
University of Florida: Measuring Public Opinion ($110,000 - completed)

BUILDING SOLIDARITY WITH CUBA'S HUMAN RIGHTS ACTIVISTS

- Freedom House: Transitions ($500,000 - completed)
  Provided 40,000 Spanish language books, pamphlets and other materials to the Cuban people on issues such as human rights, transition to democracy and free market economics.

- Center for a Free Cuba ($900,000)
  Gathers and disseminates information concerning the human rights situation in Cuba. Transmits the writings of Cuban human rights activists to non-governmental organizations worldwide. Sponsors travel to Cuba by representatives of democratic societies. Distributes pro-democracy literature on the island.

- The Institute for Democracy in Cuba ($1,000,000)
  Assists democratic activists in Cuba, informs the Cuban people, and gathers and disseminates information from inside Cuba on human rights. Provides humanitarian assistance (food and medicine) to political prisoners, their families, and other victims of oppression.

- Cuban Dissidence Task Group ($250,000 - completed)
  Published and disseminated worldwide the written analysis of Cuban democratic activists on the island. Provided humanitarian assistance (food and medicine) to political prisoners and their families, and to other victims of government oppression.

- International Republican Institute ($725,000)
  Helps create and bolster international solidarity committees in Latin America and Europe in order to provide material, moral and ideological support for democratic activists in Cuba.

- Freedom House: Cuban Democracy Project ($275,000)
  Promotes the formation of civic and political leadership in Cuba by linking professional organizations in Cuba to one another and to those in free democracies in Europe, North America and elsewhere.

GIVING VOICE TO CUBA'S INDEPENDENT JOURNALISTS

- Cuba Free Press ($280,000)
  Publishes the work of professional and independent writers and journalists inside Cuba.

- Florida International University ($292,000)
  The FIU International Media Center (IMC) trains Cuba's independent journalists to help improve their professional skills.

- CubaNet ($98,000)
  Expanding its comprehensive internet on-line coverage of Cuba's independent journalists, and other national and international press reports on Cuban human rights and economic issues.

HELPING DEVELOP INDEPENDENT CUBAN NGOs

- Partners of the Americas ($172,000 - completed)
  Helped establish professional and institutional linkages between emerging Cuban community
grassroots and professional organizations, cooperatives and other counterpart organizations around the world.

- Pan American Development Foundation ($236,700) Will establish environmental linkages between Cuban NGOs and counterpart NGOs operating elsewhere in the Americas, to demonstrate how NGOs function within democratic societies to help conserve, manage and protect natural resources.

DEFENDING THE RIGHTS OF CUBAN WORKERS

- American Center for International Labor Solidarity ($195,000) Works with trade union movements worldwide to persuade foreign firms to respect the rights of Cuban workers in their operations inside Cuba. Will monitor the firms' performance, and train leaders of emerging independent associations of Cuban workers.

- National Policy Institute ($225,000) The grantee would form an international private sector working group to encourage companies doing business in Cuba to respect the rights of Cuban workers and to promote democracy.

PROVIDING DIRECT OUTREACH TO THE CUBAN PEOPLE

- Cuba On-Line ($300,000) The grantee transmits information on democracy, human rights and free market economics directly to the Cuban people, through the international mail system, and by electronic means.

- Sabre Foundation ($85,000) Plans to donate new books and other informational materials to needy individuals in Cuba to benefit the Cuban people. Subject matter would include market economics and business, political science, government and law, medicine, nursing and closely allied health care sciences.

PLANNING FOR TRANSITION

- Rutgers University: Planning for Change ($99,000) Supports planning for future assistance to a Cuban transition government and, eventually, to a democratically elected government in Cuba. Transmits planning results to the Cuban people.

- International Foundation for Election Systems ($136,000 - completed) Analyzed assistance required to support transitional elections in Cuba. Without discussing or considering the possible timing of elections, the study established guidelines, costs, and options concerning international assistance and the requirements or local administration of comprehensive voter registration and conduct of free and fair presidential and congressional elections in Cuba. USAID will disseminate its findings to the Cuban people.

- U.S.-Cuba Business Council ($567,000) Surveys U.S. private sector resources and plans to assist the eventual reconstruction of the Cuban economy. Conducts a conference series on Cuba's democratic free market future.

EVALUATING PROGRAM IMPACT

- University of Florida: Measuring Public Opinion ($110,000 - completed) Estimated public opinion, knowledge and attitudes in Cuba through telephone interviews with
recent Cuban migrants, helping to monitor USAID program impact.

In 1994, the organizations operating in Cuba that are dedicated to defending human rights and promoting democracy drafted a set of "Principles for Foreign Investment in Cuba," or Arcos Principles. These principles are in response to the improper manner in which foreign investment takes place in Cuba. These organizations are appealing to the international community in general and particularly to those foreign investors that have operations in Cuba or are considering establishing joint ventures with the Cuban government to subscribe and become signatories of the Arcos Principles.

The Arcos Principles outlined below are intended to promote human rights and fair labor hiring and employment practices. They focus directly on those areas of labor relations and employment that the Cuban government routinely incurs violations in.

**Principle I. Respect for the dignity of the Cuban people and for due process of law.**

Each signatory will undertake actions to bring about the establishment of a State of Law in Cuba, with respect for due process, human rights, and the international labor conventions of which Cuba is a signatory.

**Principle II. Respect for basic human rights. Equal rights and non-discrimination of the Cuban people in access to and use of facilities and in the purchase of goods and services, especially those normally reserved for foreign visitors or residents.**

Each signatory of the Principles will proceed immediately to:

- Allow all Cubans access to and use of all public areas that are normally reserved to foreign visitors and residents: oppose adherence to and support the repeal of all laws that deny access to public areas reserved for non-Cuban.
- Allow all Cubans equal opportunity and access to purchase goods and services available to foreign visitors and residents.

**Principle III. Equal and fair hiring and employment practices, with non-discrimination for reasons based on political considerations, sex, race, religion and age.**

Each signatory of the Principles will proceed immediately to hire workers directly. Signatories that currently do not hire Cuban workers directly but contract with a Cuban
entity for that purpose should seek to put an end to that practice. There should be no limitation on hiring nor government influence in hiring or termination.

**Principle IV. Promotion of fair labor standards and the right of the Cuban workers to form labor unions and to receive fair wages.**

East signatory of the Principles should proceed immediately to enact company regulations in accordance with internationally recognized fair labor standards. In particular, the following should be implemented:

- A work-day and work-week with reasonable limits. There should be no compulsory overtime or volunteer work, and an agreement to pay extra for overtime hours worked.
- Appropriate and comprehensive procedures for handling and resolving individual employee complaints.
- Provisions for dealing with termination of employment and disciplinary measures.
- Support for the right of Cuban employees to form their own associations and belong to governmental or independent unions.

**Principle V. Improvement of the quality of the employee's lives outside the workplace in such areas as: occupational safety and health, culture, and environmental protection.**

Each signatory of the Principles will proceed immediately to:

- Ensure that the methods of production meet occupational safety and health standards.
- Support local NGOs in activities and projects designed to safeguard and protect Cuba's cultural patrimony.
- Take effective measures to protect the environment.
- Take appropriate measures to repair any environmental damage resulting from the joint venture's.
- Influence other multi-national corporations operating in Cuba to follow the Arcos Principles.
Appendix E

POTENTIAL SUPPORTERS

Current Members of Congress

US Senators

John W. Warner (R-VA), Rod Grams (R-MN), Christopher S. Bond (R-MO), James M. Jeffords (R-VT), Chuck Hagel (R-NE), Richard G. Lugar (R-IN), Michael B. Enzi (R-WY), John H. Chaffe (R-RI), Arlen Specter (R-PA), Gordon Smith (R-OR), Craig Thomas (R-WY), Barbara Boxer (D-CA), Robert Kerrey (D-NE), Dick Bumpers (D-AR), Jack Reed (D-RI), Rick Santorum (R-PA), Christopher J. Dodd (D-CT), Daniel Patrick Moynihan (D-NY), Dirk Kempthorne (R-ID), Pat Roberts (R-KS), Patrick J. Leahy (D-VT), Thad Cochran (R-MS), Pete V. Dominici (R-NM), Patty Murray (D-WA), Kennedy (D-MA), Kerry (D-MA), Levin (D-MI), Lincoln (D-AR), Warner (R-VA)

House Members

Abercrombie (D-HI), Allen (D-ME), Barrett (D-WI), Blumenauer (D-OR), Boucher (D-VA), Brown (D-CA), Campbell (R-CA), Christensen (R-2nd NE), Clay (D-MO), Cramer (D-AL), Cummings (D-MD), Davis (D-IL), Delahunt (D-MA), DeLauro (D-CT), Dooley (D-CA), Emerson (R-MA), English (R-PA), Evans (D-IL), Faleomavaega (D-AS), Farr (D-CA), Hilliard (D-AL), Hinchey (D-NY), Jackson (D-IL), John (D-LA), Kilpatrick (D-MI), LaFalce (D-NY), Lampson (D-TX), Leach (R-IA), Lee (D-CA), Lofgren (D-CA), Lowey (D-NY), McDermott (D-WA), McGovern (D-MA), McKinney (D-GA), Maloney (D-NY), Meeks (D-NY), Miller, George (D-CA), Minge (D-MN), Moakley (D-MA), Moran (D-VA), Moran (R-KS), Morella (R-MD), Nadler (D-NY), Neal (D-MA), Nethercutt (R-WA), Ney (R-OH), Oberstar (D-MN), Olver (D-MA), Pelosi (D-CA), Price (D-NC), Rangel (D-NY), Rivers (D-MI), Roybal-Allard (D-CA), Rush (D-IL), Sabo (D-MN), Schakowsky (D-IL), Serrano (D-NY), Shays (R-CT), Stark (D-CA), Tierney (D-MA), Torres (D-CA), Underwood (D-GU), Velazquez (D-NY), Walsh (R-NY), Waters (D-CA), and Woolsey (D-CA).

Religious Organizations

United States Catholic Conference
Presbyterian Church (USA)
United Methodist Church
Cuban American/Hispanic groups

Cuban American Alliance Education Fund, Inc.
Cuban Committee for Democracy
Hispanic American Center for Economic Research

Organizations

Christian Voice
Media Research Center
The 14th Council of YMCAs
US Chamber of Commerce (VP. Willard A. Workman)
The American National Foundation
US-Cuban Trade Economic Council
The Cuban Foundation

NON SUPPORTERS

Helms, Menendez and Diaz-Balart are a few of the prominent Congressmen, along with the Cuban American National Foundation (CANF) and others like the Heritage Foundation, who still hold to a strict enforcement of the embargo and claim to be firm in their stance. To work towards increased support for implementation, these and many others should be encouraged to reconsider their position.