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# U.S.-Cuba Relations

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## Introduction

Cuba and the United States have been at odds since Fidel Castro seized power in 1959. While successive U.S. administrations have employed tough measures, including prolonged economic sanctions and the designation of Cuba as a state sponsor of terrorism, none have substantially weakened the government. There has been some softening in U.S. policies toward Cuba since Castro formally transferred the Cuban presidency to his brother Raúl in 2008 and Barack Obama became U.S. president, but experts say normalization of relations is unlikely in the near to medium term. The continued imprisonment of U.S. citizen Alan Gross, accused in 2009 of trying to destabilize the Cuban regime through a U.S.-sponsored program, as well as the detainment of Cuban nationals in U.S. prisons, remain significant sticking points in the relationship. Meanwhile, Raúl Castro has gradually implemented major economic reforms and lifted travel restrictions, moves which help the country strengthen its international position and consolidate some of its domestic changes.

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## Historical Background

The ongoing state of frozen relations between the United States and Cuba is rooted in political and economic acrimony that reached its apex in the early 1960s in the midst of the Cold War. In 1959, Fidel Castro and a group of revolutionaries overthrew the government of President Fulgencio Batista. As the new Cuban regime began forming trade deals with the Soviet Union, nationalizing U.S.-owned properties, and hiking taxes on American imports, the United States responded with escalating economic retaliation. U.S. president Dwight D. Eisenhower slashed the import quota for Cuban sugar,

Cuba's chief industry. Washington then instituted a ban on nearly all exports to Cuba, which President John F. Kennedy expanded into a full economic embargo that included stringent travel restrictions.

By the early 1960s, the United States had severed diplomatic ties with Cuba and was pursuing covert operations to overthrow the Castro regime. The 1961 [Bay of Pigs invasion](#), a botched CIA-backed attempt to topple the government, further inflamed Cuban mistrust and nationalism, leading to a secret agreement allowing the Soviet Union to build a missile base on the island. The United States discovered those plans in October of that year, setting off a fourteen-day standoff. U.S. ships imposed a naval quarantine around the island and Kennedy demanded the destruction of the missile sites. The [Cuban Missile Crisis](#) ended with an agreement that the sites would be dismantled if the United States pledged not to invade Cuba (and a secret deal in which the United States agreed to remove nuclear missiles from Turkey).

Since the events of 1961–62, economic embargo and diplomatic isolation have been the major prongs of U.S. policy toward Cuba, even after the Soviet Union's collapse. Washington strengthened the embargo with the 1992 Cuba Democracy Act and [1996 Helms-Burton Act](#), which state that the embargo may not be lifted until Cuba holds free and fair elections and transitions to a democratic government that excludes the Castros (Raul is scheduled to leave office in 2018). It also calls for improvements in human rights, including ensuring a free press and releasing political prisoners. Some adjustments have been made to the trade embargo, however, so that U.S. medical supplies and agricultural products can be exported to the island under certain conditions. Companies in many U.S. states have brokered agricultural deals with Cuba in recent years. But the Cuban government estimates that more than fifty years of stringent trade restrictions has [resulted in a loss of approximately \\$1.126 trillion](#).



Protestors

attend a rally against the U.S. embargo of Cuba in 2000. (Photo: Desmond Boylan/Courtesy Reuters)

## Status of U.S.-Cuba Relations

The United States and Cuba do not have formal diplomatic relations, and tough sanctions remain in place, but contacts between the states are growing. Certain U.S. restrictions have loosened during Obama's tenure. While the administration of George W. Bush strongly enforced the embargo against Cuba and sharply lowered the cap on family remittances (from \$3,000 to just \$300 in 2004), Obama [reversed some of these policies](#) during his first term, and even went further, allowing U.S. citizens to send remittances to non-family members in Cuba and to travel there under license for educational or religious purposes. The Obama administration has also resumed migration talks with Cuban officials in 2009 (after they were stalled during the previous administration). Regular six-month migration talks officially resumed in 2013. Americans with family living in Cuba can travel freely, however, and there is no cap on remittances for them.

Still, a number of obstacles stand in the way of normalizing ties. A major source of tension is the case of Alan Gross, a U.S. Agency for International Development (USAID) subcontractor who was arrested in Cuba in 2009. Gross traveled to the country to deliver communications equipment and arrange Internet access for its Jewish community. Cuban authorities alleged he was attempting to destabilize the Cuban regime through a USAID-sponsored democracy-promotion program and sentenced him to fifteen years in prison. Cuban authorities view these programs as an "[extraordinary provocation](#)" given the context of the United States' relationship and history with the country, says Julia Sweig, CFR's director of Latin America studies. Talks remain unresolved on Gross's status as well as that of

the four Cuban prisoners that have been held in the United States since 1998.

Cuba also remains on the U.S. State Department's list of state sponsors of terrorism, a designation first assigned in 1982 in light of Fidel Castro's training of rebels in Central America. Castro announced in 1992 that Cuba would no longer support insurgents abroad, and the State Department's annual report for 2012 states there is no evidence that the country has provided training or weapons to terrorist groups. Critics say this assessment shows that Cuba's position on the list is politically motivated and not based on legitimate security concerns.

Human Rights Watch's annual report for 2013 said Cuba "continues to repress individuals and groups who criticize the government or call for basic human rights" through detentions, travel restrictions, beatings, and forced exile, although the report also notes that Cuba released more than fifty political prisoners and foreigners in Cuban prisons in 2010 and 2011 under a Vatican-brokered deal. The United States has been openly critical of Cuba's human rights record, and proponents of the U.S. embargo say that Cuba has not met the conditions specified in U.S. law for lifting it. The embargo's opponents, however, say the embargo has failed to change Cuba's human rights situation in its fifty-year history and argue it has harmed Cuban citizens more than the government. They also point out that the United States has diplomatic and economic relations with other countries, such as China and Saudi Arabia, that have similarly been called out for repressing dissent.

The Cuban-American community in southern Florida has traditionally influenced U.S. policy toward Cuba. Both Republicans and Democrats have feared alienating a strong voting bloc in an important swing state in presidential elections, and a small but vocal contingent of hardline Cuban exiles does not want to normalize relations until the Communist regime is gone. The Cuban exile community in the Miami area has been "[a pillar of Republican support](#) in presidential elections since 1980," writes Arturo Lopez-Levy in *Foreign Policy*. He notes that this bloc, which makes up about 5 percent of Florida's population, has also sent several Cuban lawmakers to Congress, including former representative Lincoln Diaz-Balart, his brother Mario Diaz-Balart, Ileana Ros-Lehtinen, and Senator Marco Rubio, whose views are stridently anti-Castro. However, Lopez-Levy says that these politicians' hardline stances on Cuba policy no longer align with the views of most Cuban-Americans. In his 2012 presidential reelection campaign, Barack Obama won 50 percent of the Cuban-American vote.

## Public Opinion

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Polls show that a majority of Americans would like to reestablish normal relations with Cuba. A compilation of [several recent surveys](#) shows that between 50 to 60 percent of Americans and Cuban-Americans favor diplomatic engagement, ending the travel ban, and lifting the trade embargo.

Globally, an overwhelming consensus supports engagement with Cuba. In late 2013, the UN General Assembly approved a resolution [condemning the U.S. embargo](#) for the twenty-second consecutive year, with 188 member countries backing the resolution and only two—the United States and Israel—opposing.

Sweig says that economic reforms Raúl Castro has implemented are the kind that every U.S. administration has called for over the past fifty years, but Washington hasn't been responsive. "It's not realistic to expect the United States to undertake a series of unilateral moves toward normalization; it [needs a willing partner](#)," she told CFR.org in a 2012 interview. "I believe we have one in Havana but have failed to read the signals." In late 2013, Castro called for "[civilized relations](#)" with the United States, noting that both parties have been able to negotiate on matters of mutual interest during migration talks, though he rejected the notion of changing Cuba's political regime. "We do not demand that the United States change its political and social system, nor do we accept negotiating ours," he said.

## Change Under Raúl Castro

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Raúl Castro formally assumed office in 2008 facing an aging population, heavy foreign debt, and economic hardship amid the global economic downturn. In this environment, Castro began to liberalize parts of Cuba's largely state-controlled economy and shift rhetoric away from the government's traditionally antagonistic tone toward private businesses. Castro also loosened restrictions on personal freedoms, including ownership of certain consumer goods and travel outside the country. Analysts say these new openings provide a prime opportunity for the United States to establish an economic relationship with Cuba. Some of Castro's reforms include:

- Decentralizing the [agricultural sector](#) by offering individuals and cooperatives leases to cultivate state-owned farmland
- Relaxing restrictions on [small businesses](#) and issuing new licenses for service-sector jobs
- Liberalizing [real estate markets](#), allowing Cubans to buy and sell private property
- Eliminating once onerous bureaucratic requirements for Cubans to obtain government [permission to travel](#) outside the country
- Expanding access to [consumer goods](#), including DVD players, microwaves, and cell phones, and cellular and Internet service.

Cuba's private sector has swelled as a direct result of these reforms; in 2014 it was reported to be [about 20 percent](#) of the country's workforce. A report by the Center for Democracy in the Americas

(CDA) states that Castro's reforms highlighted "an [acceptance that market forces can play a role](#) in economic policy and that economic growth must be the central criterion to judge economic success." But the results of Cuba's reforms are not yet clear, and observers caution against assuming that Cuba is on a decisively capitalist path. Damien Cave writes for the *New York Times* that Cuba's measures are "remarkable but extremely limited," and that recent moves have resulted in "[handcuffed capitalism](#): highly regulated competitive markets for low-skilled, small family businesses."

Some analysts argue that the United States should seize upon Castro's reforms as a chance to improve its relationship with Cuba. The CDA report warns that unless Washington acknowledges that Castro's reforms "represent an important beginning," inaction on its Cuba policy "plays into the hands of hardliners in Cuba who oppose reform or rapprochement with the United States." Economist Richard E. [Feinberg](#) agrees that supporting Cuba's nascent economic changes may be the United States' best chance to encourage a political shift down the line: "While there is no automatic, linear relationship between market-oriented economic reform and political liberalization, political theory and recent history suggest that one trend tends to reinforce the other, especially in the Western Hemisphere and in the long run," he writes. "Moreover, in the absence of direct leverage over a nation's political institutions, promoting economic reform may be the most realistic option for advancing political pluralism."

Obama, for his part, acknowledged in November 2013 that Washington has "started to see [changes on the island](#)," and advocated being "creative and thoughtful" in updating the United States' Cuba policy.

## Cuba's Foreign Alliances

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Decades of isolation from the United States has strengthened Cuba's relationships with other countries that shared its opposition to the U.S. brand of neoliberalism. Caracas has been Havana's closest ally since the breakup of the Soviet Union and the election of late Venezuelan leader Hugo Chávez. Their economic relationship is rooted in the Integral Cooperation Accord, an agreement signed in 2000 that specifies an exchange of Venezuelan oil for Cuban goods and services. The accord was reaffirmed and extended for another ten-year period in 2010. Venezuela now sells Cuba some ninety thousand barrels of crude oil daily at preferential prices, and Cuba sends tens of thousands of medical professionals to work in Venezuelan communities. Chávez also shared the Castros' anti-imperialist sentiment, and together the countries formed the Bolivarian Alliance of the Americas (ALBA), a regional organization designed as a leftist counterweight to what they viewed as Washington-dominated regional organizations. The future of Cuba's relationship with Venezuela has become more tenuous after Chavez's death in March 2013, however. While Chavez's successor, Nicolas Maduro, has promised to [maintain close ties with Havana](#), Maduro's administration has been beset by high inflation,

shortages, and currency problems that call into question the extent of Caracas's future ability to finance Cuba.

Cuba has also deepened its trade relationships with a number of other countries in recent years. Even after the United States amended the trade embargo to allow U.S. companies to export food and agricultural products to Cuba, these exports have fallen over the past few years from a peak of [\\$710 million](#) in 2008 to about [half that amount](#) in 2012 as countries including China, Canada, Brazil, and Vietnam offered more attractive financial terms.

[Brazil](#) and [China](#) are Cuba's largest trading partners after Venezuela. Brazil in particular has invested in major projects in the island nation, including the [renovation of Cuba's Mariel port](#), which neighbors a new development zone that seeks to forge stronger ties with other Latin American and Asian economies. These investments seize on opportunities that, Sweig says, the United States is missing out on: "Brazil is clearly stepping into a space where the United States should be, and the United States has made a decision to watch as that happens."

## Additional Resources

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This [Congressional Research Service report](#) examines U.S. policy and issues in Cuba.

This [Foreign Affairs article](#) by CFR's Julia Sweig and Michael Bustamante looks at how economic reforms are transforming Cuba.

In this [working paper](#) for the Brookings Institution, Philip Peters examines the significance of a new law that permits Cubans to buy and sell residential real estate.

In her book [Cuba: What Everyone Needs to Know](#), Julia Sweig offers a guide to Cuba's politics, its relationship with the United States and its shifting role in the world.