

Cuba: change and continuity

By Augusto Varas

■ Executive summary

The recent loosening of U.S.-imposed economic, travel and financial restrictions on Cuba are creating increasing expectations that the island's economy will move towards a liberal-democratic and market-oriented system that will open up new opportunities for foreign companies in the island. The new U.S.-Cuban relationship is also creating expectations in the island and abroad regarding future political changes in Cuba. However, economic and democratic liberalisation will have to wait for the end of the U.S. embargo and will depend on the way in which the Cuban authorities deal with the social and political effects of the lifting of the embargo. Currently Cuba is continuing to maintain its international policies, strengthen its ties with Russia and take a non-radical political approach to relations with Latin America.

Politics and economics

Due to the restoration of U.S.-Cuban diplomatic links after 50 years of strained relations, the coming arrivals of the Rolling Stones, Coca-Cola, the Marriot and Hilton hotel chains, Carnival cruises, Sony Music and realtors in Cuba are examples of the growing interest of the international business community in this process. This enthusiasm has also been observed in neighbouring countries like the Dominican Republic, whose ambassador to Spain indicated that opening up the market to attract global tourism to Cuba will also impact positively on the Dominican Republic, creating "the possibility of shared destinies". More skeptically, in the political field, Julia Sweig, senior research fellow at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin, stated that Cuba "is going to be more democratic than it has been, is going to be more liberal than it has been, but that would be with a one party system".

Undoubtedly, the U.S.-Cuban rapprochement will create a new environment for international business and will promote the better commercial integration of Cuba with Latin American and Caribbean countries. Cuba's comparative advantages in terms of its educated human resources (according to the BBC, "50,000 [Cuban] health workers [are] engaged in health projects in 68 countries, half of them doctors"); its technological, scientific and research capabilities; and its strategic location for international

commerce and transportation should generate a better environment for the island's integration into regional and world trade and investment systems. At the same time the end of the embargo would make it possible for Cubans to manage U.S. dollar accounts in other countries' banks and have access to credit from U.S. banks and their affiliates in other countries, and from international financial institutions such as the World Bank, the International Monetary Fund and the Inter-American Development Bank.

Nevertheless, the recent U.S.-Cuban diplomatic developments are not enough to dramatically change Cuba's economic and political systems. The release of 53 prisoners after the announcement of the restoration of diplomatic relations with the U.S. and another 3,500 after Pope Francis's visit to Havana in September 2015 were goodwill gestures by the Cuban government towards those involved in the rapprochement process. However, despite the Pope's efforts to improve the island's political and human rights conditions, it will take a long time to make such efforts real. A necessary condition would be the removal of the U.S. economic blockade, but even if this were to happen the Cuban government would need some time to readjust and accommodate itself to this new situation. According to Cynthia Arnson, director of the Latin American Program at the Wilson Center in Washington, DC, "What has been negotiated is the normalization of bilateral relations, not a change in [Cuba's] domestic policies". In this context

Cuban and U.S. diplomatic delegations recently agreed to boost cooperation on security issues such as the combating of terrorism, drug trafficking, money laundering and smuggling.

International policy

All these possible changes do not imply a clear departure from Cuba's current confrontational policy regarding international affairs, particularly vis-à-vis the U.S. At the UN President Raúl Castro defined U.S. demands for the protection of Cuban citizens' rights as a selective and discriminatory way of enforcing policy decisions, and in turn stated his political demands to the U.S.: an end to the economic, commercial and financial blockade; the devolution of the Guantanamo naval base; the cessation of media programmes critical of the Cuban government; and compensation for the human and economic damage caused to the island and its people by the blockade. He also criticised world demilitarisation and demanded the end of the use of information technologies to attack other states in cyberspace.

Cuba's international policy is instrumental to increasing the island's leverage regarding its demands vis-à-vis the U.S. A key feature of this policy is the strengthening of Cuban-Russian relations. After the December 2014 announcement that the U.S. would reopen diplomatic relations with Cuba, in April 2015 Ricardo Cabrisas, vice president of the Cuban Council of Ministers, visited Kazan for the special session of the Cuban-Russian Intergovernmental Commission on Trade-economic and Scientific-technical cooperation. In May Russian prime minister Dmitri Medvedev and President Castro met to discuss prospects for joint projects of bilateral interest. As a result of these talks Russia will supply generators to the Maximo Gomes and Este Habana power plants in Cuba.

Consistently with the Cuban-Russian relationship, in his UN speech President Castro criticised NATO and European Union (EU) policy towards Russia, supported the nuclear deal with Iran and the establishment of a Palestinian state within pre-1967 borders with its capital in East Jerusalem, criticised the EU for not assuming its responsibilities regarding the migration crisis and stated clear opposition to a regime change in Syria. In this regard the Institute of Cuban and Cuban-American Studies at the University of Miami denounced the alleged deployment of Cuban military forces in Syria in support of the Assad regime. The director general of bilateral affairs of the Cuban Ministry of Foreign Affairs, Gerardo Peñalver Portal, categorically denied and refuted this allegation, describing it as "irresponsible and unfounded information". The opening of the United Arab Emirates embassy in Havana is another example of Cuba's projection onto the international scene.

Regarding Latin America, President Castro expressed support for the current presidents of Venezuela, Ecuador, Brazil and Argentina (including the latter country's

Malvinas claim); advocated for protection from the effects of climate change for Caribbean countries; demanded independence for Puerto Rico; claimed reparations for slavery and the slave trade; and highlighted the importance of the Community of Latin American and Caribbean States – the regional organisation that is independent of the U.S., as opposed to the U.S.-dominated Organisation of American States (OAS) – and its proclamation of Latin America and the Caribbean as a Zone of Peace.

While criticising capitalism and welfare societies as failed role models, Castro stated that Cuba would seek its own development model, which could follow the Vietnamese path. Interestingly, in this context Castro did not mention the leftist regional organisation Alianza Bolivariana para los Pueblos de Nuestra América, thus signaling that even though Cuba's international positions differ from those of the U.S. and EU, the island does not wish to be involved in radical leftist politics in Latin America. On the contrary, Cuba has been diplomatically mediating between the U.S. and Venezuela, and playing a key role in the Colombian peace process. Accordingly, a new space for cooperation with Cuba in the region could be expanded and could even make possible some kind of partnership on drug-trafficking control in the Caribbean. Similarly, José Miguel Insulza, a former secretary general of the OAS, indicated that with the new U.S. policy "the OAS' doors are opened for Cuba".

In light of these moderate positions and despite Cuba's strong rhetoric opposing U.S. policies, U.S. secretary of state John Kerry recently indicated that it is possible to gradually restore full relations with Cuba before the island is a full democracy, as the U.S. did previously with Vietnam and China: "I personally think that the embargo should be removed because doing so will help the people of Cuba ... the US Congress is rightly concerned about human rights, democracy and the ability of people to meet", but he insisted that the only condition is "a pathway to improve the relationship between [the Cuban] government and its people".

Regional relations

Since Cuba has been a long-term symbol of U.S. intervention in the region, these changes are also having regional effects. During her recent visit to the White House Brazil's president, Dilma Rousseff, stated that this is "a turning point in the relationship with Latin America [and] changes the level of US relations with the region. It is a parameter to be followed."

With a new political profile Cuba will be more efficient in supporting the Colombian peace process, not only with the Revolutionary Armed Forces of Colombia-People's Army, but also with the National Liberation Army, thus increasing the island's international prestige and profile.

As a consequence of these changes new opportunities for Latin American countries to contribute to Cuban democra-

tisation will be opened. In this scenario Latin American and international non-governmental organisations (NGOs) in Cuba could have a reinforcing effect in a transitional process toward a more pluralist polity.

Generally, Cuba will have to manage its regional relations with new approaches. After Mexico, Colombia and Ecuador, Cuba is one of the most important sources of international migrants in Latin America. Other regional countries such as Venezuela, Mexico, Chile and the Dominican Republic are the main destinations of Cuban migrants. The presence of Cuban doctors in Chile and Venezuela is an example of this regional process. It is reasonable to think that increased freedom of movement in Cuba would probably increase migration flows to other Latin American countries, creating new problems for the authorities of both Cuba and the countries to which Cubans migrate.

Despite citizens' and governmental officials' optimism regarding better living conditions thanks to the new Cuban-U.S. relationship, an unexpected phenomenon has been observed, i.e. the increasing number of Cuban migrants going to the U.S. (31,314 thus far in 2015). These migrants are concerned about a possible ending of the U.S. policy permitting Cubans reaching the U.S. to remain there permanently. The 1966 Cuban Adjustment Act allows Cubans who reach U.S. soil to stay and apply for a green card after one year, and makes them eligible for benefits granted to refugees fleeing persecution, such as some cash assistance and medical coverage. As a consequence of improved bilateral relations it is highly likely that these privileges will be removed from a new package of U.S. policy measures.

Worried about emigration and desirous of preventing a brain drain, Cuban authorities are changing their policy toward medical doctors who deserted while serving on government-backed programmes abroad. According to *Granma* (the official newspaper of the Central Committee of the Cuban Communist Party),

health professionals who, under the terms of the migratory reform, have left the country, be it because of financial, family related or professional reasons, including the victims of deceitful brain-drain practices, will be offered the opportunity to rejoin our national health system if they wish to do so, and shall be guaranteed a position with conditions similar to the ones they previously enjoyed.

These kinds of changes, together with the relaxation of other U.S. restrictions such as those on visits and remittances, will reduce the power of Cuban-American political and lobbying organisations in the U.S. and create a space for moderate groups to interact with the Cuban authorities regarding future transitional scenarios.

Simultaneously, the new diplomatic atmosphere will make possible a different type of interaction between Latin American and extra-regional NGOs and their Cuban counterparts. Since collaborative linkages between Cuban and international NGOs have often been subjected to government political authority or control, this new context could make possible a freer kind of relationship that would expand the presence and role of civil society organisations in a gradual transitional process.

In sum, although some effects of the new Cuban-U.S. relationship have been observed, and it is highly likely that Cuba will be reintegrated into world commerce and multilateral financial institutions and will play a growing political role in regional and world affairs, all these changes will not have an automatic democratising and liberalising effect on the island's political and economic systems. International actors will have to balance their investment interests in a less isolated Cuban economy with their own commitments to civil and political liberties.

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