



# BACKGROUND

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## U.S.-Cuba Relations: A New Direction for an Old Problem

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Yesterday, President Obama announced a significant shift in U.S.-Cuba policy. By loosening restrictions on family visits and remittances, as well as opening up the communist nation to satellite and cellular service, he took a major step in the direction of reorienting U.S. relations with Cuba.<sup>1</sup> After 50 years of a well-intentioned but failed policy, this marks a welcome development. Cuba is no longer the national security threat it was during the Cold War, as a group of twelve former senior U.S. military officials recently stated in a letter to the President.<sup>2</sup> It's high time U.S. policy changes to reflect that reality. The United States needs to adopt a new strategy toward Cuba that prioritizes economic liberalization, the promotion of human rights, and cooperation in critical arenas such as counternarcotics. Any policy that fails to further these goals should be abandoned.

Even before President Obama's announcement, bipartisan consensus on a new agenda had emerged. Within the last three months, Republican Senator Richard Lugar called for a new approach to U.S. Cuba relations, three Democratic members of the House of Representatives visited President Raul Castro in Cuba, and Congress loosened restrictions on family travel and agricultural goods.<sup>3</sup> Three major developments are driving this significant shift.

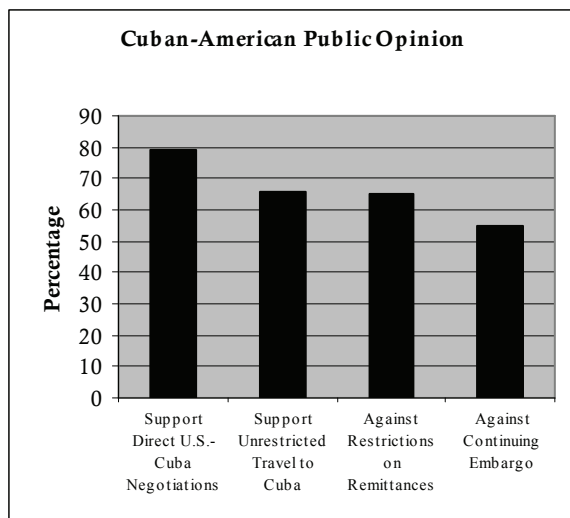
**1. Sanctions Have Failed.** Advocates of sanctions are right to push for change in Cuba. Yet the harsh reality is that sanctions have failed to alter Cuban behavior. We

*"We must continue to press Cuba for the freedom of its people – but we must find a strategy that works. For half a century we have followed a course of dead ends and frustrations. It's time to try another route."*

should not expect that to change. While American sanctions harm everyday Cubans, the Cuban government has made so many friends around the world that U.S. sanctions alone don't pack enough punch to alter the nature of the regime. And it's not just Cuba's good relations with China and Venezuela that keep its economy afloat. The European Union has developed solid relations with Cuba, while Russia and most of Latin America have done the same.<sup>4</sup> Cuba faced much greater isolation during the Cold War, but still never succumbed to U.S. sanctions. Since the end of the Cold War, the island nation has expanded its international ties, making the case for sanctions even worse. If we wish to see Cuba liberalize its economy and democratize its politics, we are going to have to find a better means to achieve this noble end.

**2.) New Cuban Leadership.** Since coming to power in 2006, Raul Castro has called for structural changes in Cuba's economy. While this must be taken with a grain of salt because he is a long-standing fixture of the communist state and his government remains full of old-school hardliners, he has adopted a handful of initiatives that suggest room for an opening. In his first speech as

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president, he vowed to make government smaller, to consider re-evaluation of the peso, and to eliminate regulations that hinder productivity. Shortly thereafter, he lifted restrictions on electronics such as cellular phones, DVD players, and video cameras. In agriculture, he devolved decision-making from the central government to municipalities, cutting down on bureaucracy. Most importantly, the Cuban government is actually listening to the Cuban people. Thousands of officially sanctioned meetings were held throughout the country in 2007, in which Cubans were invited to air economic grievances.<sup>5</sup> These are small changes occurring at a slow clip, as critics rightly point out. Nevertheless, they constitute a new direction that could, with U.S. engagement, be deepened into a larger trend.

### **3.) Cuban-American Opinion Has Shifted.**

In 1991, only 45% of Cuban-Americans supported unrestricted travel to Cuba. By 2008, that number had jumped to 66%. For younger Cuban-Americans, between the ages of 18 and 44, support stood at 75%. A clear majority now wishes to see the United States engage in direct negotiations with Cuba (79% overall, 88% for the young) and end restrictions on sending money to Cuba (65% overall, 70% for the young), and oppose a continuation of the embargo (55% overall, 65% for the young). These are stunning numbers that yield a simple lesson: Cuban-Americans want a change in U.S. policy.<sup>6</sup> Young Cuban-Americans want it even more. While the loudest voices may continue to call for failed sanctions, the majority wants a policy that works. The domestic base for improved U.S.-Cuba relations exists.

## **Window of Opportunity**

The United States is no longer engaged in a Cold War with Cuba, and Cuban-Americans are ready for the United States to adapt its policies accordingly. The time is ripe to break with the past and embrace a new approach built upon three simple pillars.

### **1.) Fund Civil Society, Not Regime**

**Change.** We want democracy in Cuba. The question is, how do we most effectively get there? President Bush expanded funding for democracy assistance programs in Cuba from \$9 million in 2007 to \$45 million in 2008. This is a good thing, but we have to make sure we are spending that money well. According to the non-partisan Government Accountability Office, some democracy assistance programs have been hamstrung by inefficiency and corruption. Furthermore, a portion of the funding has been channeled toward organizations based in the U.S., not on the ground in Cuba -- some of which implicitly or explicitly endorse "regime change." We must be wary of such policies, as Cuba's government has the power and incentive to quash those who take foreign money for the purpose of toppling the regime. Supporting policies that aim to remove the Cuban government from power gives Cuban authorities a "national security" pretext for repression and human rights violations. It is for this reason that many dissidents have asked the U.S. to abstain from meddling in Cuba's internal politics.<sup>7</sup>

Instead, the U.S. must ensure its assistance dollars are going to civil society programs that avoid putting the Cuban regime in the cross hairs and focus instead on advancing fundamental freedoms — guaranteed minority rights, stronger free media outlets, and the right to organize — while offering support to families of dissidents. We can develop microfinance or educational programs to benefit private entrepreneurs and deepen market values. Such programs need not pose a direct threat to the Cuban government itself but, rather, the goal of U.S. policy should be to strengthen civil society organizations that can create sustainable home-grown reform.

### **2.) Deepen Economic Cooperation.**

In spite of U.S. sanctions, Cuba and the United States have expanded economic cooperation in recent years. U.S. agricultural exports to Cuba leapt from zero dollars in 2000 to \$710 million in 2008, and the American Farm Bureau believes that Cuba could eventually become a \$1 billion export market for U.S. goods.<sup>8</sup> Individual states have even entered the

mix, with Texas, Nebraska, and Oklahoma brokering agricultural deals in recent years.<sup>9</sup> These and other trade activities have already put the United States among Cuba's top five trading partners. There is every reason to believe this cooperation can grow – with positive effects for the Cuban people. Cuba successfully experimented with market reforms in the 1990s, and its recent interest in economic reform suggests that a return to such policies is possible. There are more private entrepreneurs in Cuba than there were in the early 1990s, and economic grievances within the population create an opening for change.<sup>10</sup> The worldwide financial crisis, which has hit Cuba hard, has also given its leaders an additional reason to try new approaches.

Proponents of the sanctions regime argue with some reason that trade could prolong Cuba's communist government. However, there is a real possibility that the small expansion of economic freedoms today could pave the way for greater political freedom in the future. While we cannot be sure of this outcome, we can be sure that a sanctions-happy alternative is not effective. President Obama's decision to loosen restrictions on travel and remittances for Cuban-Americans marks an excellent first step toward a new economic approach. Remittances to the island nation already pump up to \$1 billion into the Cuban economy each year; this new policy will allow that figure to climb, helping to alleviate poverty and improve economic conditions for the Cuban people.<sup>11</sup> Loosened travel restrictions will have the same effect. Moving ahead, the United States should work to lift travel and economic restrictions for all Americans, not just Cuban-Americans, based on the same economic rationale. Lastly, the United States should also revisit certain aspects of its export policy. Cuba suffered billions of dollars of damage from hurricanes in 2008. Liberalizing trade relations to allow for the export of agricultural machinery and other products that could aid Cuba's reconstruction efforts would both improve economic relations and help mitigate suffering among the Cuban people.

### **3.) Collaborate on Common Priorities.**

A long and antagonistic history notwithstanding, the United States and Cuba do have common interests. And we ought to use those common interests to create a solid foundation for better relations. One issue on which the U.S. and Cuba see eye-to-eye is the problem of narcotrafficking.<sup>12</sup> Cuba opposes the drug trade just as much as the United States does. Its government has expanded training for counternarcotics personnel and stiffened penalties on drug traffickers. Cuba has also signed bilateral counternarcot-

ics agreements with 33 countries and partnered with the United States on multiple occasions to seize or search ships suspected of drug-running. As the recent drug wars in Mexico attest, the proliferation of narcotics can create devastating violence. The United States and Cuba share a common interest in preventing such violence and can productively channel that interest into greater cooperation.

## **Conclusion**

Taking a new approach toward Cuba is a win-win proposition for the United States. If Cuba reciprocates our diplomatic and economic initiatives, the Cuban people win. If Cuba rejects our overtures, which is entirely possible, we still win. The world will see the true face of the Cuban regime, and international calls for the U.S. to change its policy toward Cuba will fall silent. Since Cuba does not pose a national security threat to the United States, we can afford to roll the dice. We will prove our own magnanimity, while suffering no risk to our national well being.

Greater still are the fruits of success. Whether we keep sanctions or not, Cuba will remain a one-party state for some years. But improved relations with the United States will reduce the rationale for repression. We must continue to press Cuba for the freedom of its people – but we must find a strategy that works. For half a century we have followed a course of dead ends and frustrations. It's time to try another route.

#### **End Notes**

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