

## CUBA

# A Whole New Ballgame

By Valerie Wirtschafter with Julia Sweig

During the early 20<sup>th</sup> century, the hegemony of the United States on the island shaped diplomatic relations between the U.S. and Cuba — one factor that drove Fidel Castro’s revolutionary fervor and fueled the Cuban Revolution. During the Cold War, mutual hostility and distrust defined relations. Cuba served as one of the main theaters in which the U.S. and the Soviet Union waged many of their power struggles. But on December 17, 2014, something astonishing happened: the governments of the United States and Cuba decided to reshape this fraught history and chart a new course in diplomatic relations, one built on dialogue and compromise, as well as a shadow of mutual understanding.

In an obviously choreographed effort, at 12:01 p.m., Eastern Standard Time, both Raúl Castro and Barack Obama took the podium to announce a historic thaw in bilateral relations. In a vow to “cut loose the shackles of the past,” President Obama announced a new approach to relations between the two countries, including a relaxation of restrictions on remittances to the island, increased travel and banking opportunities, and a restoration of diplomatic relations, among other changes. Raúl Castro, in turn, declared that the thaw would allow Cuba to embark “on the task of updating our economic model in order to build a prosperous and sustainable socialism.” The Cuban government committed to increasing access to the Internet and released 53 political prisoners. As the crux of the deal, both agreed to a swap of the remaining three of the “Cuban Five,” intelligence officers held in U.S. prisons since 1998, for a U.S. agent named Rolando Sarraff Trujillo and Alan Gross, a United States Agency for International Development (USAID) subcontractor.

Since then, the U.S. and Cuban governments have announced a dizzying array of changes to bilateral relations, ranging from the reestablishment of embassies to the removal of Cuba from the State Sponsors of Terrorism list. In March 2016, the world saw a sitting U.S. president, Barack Obama, set foot on Cuban soil — an event that has only occurred once in history, when Calvin Coolidge visited the island in 1928. The sum total of these changes is enough to overwhelm and excite any student of Latin American



Photo from the U.S. Department of State.

history. However, the story of how we got to where we are today, as well as the circumstances that drove Raúl Castro and Barack Obama to the table for an unprecedented series of secret negotiations, is fundamental to understanding the new course set in motion in December 2014 and the future of U.S.–Cuban relations, more broadly.

When President Barack Obama assumed office in 2009, Latin America’s turn to the left was already in full

Barack Obama and his family take in a baseball game in Havana with Raúl Castro in March 2016.

swing. From Luiz Inácio Lula da Silva in Brazil to Michelle Bachelet in Chile, Latin America’s “New Left” swept into power in the early 21<sup>st</sup> century with a populist message of greater economic, social, and political inclusion. The United States’ outdated treatment of Cuba as a pariah served as a unifying symbol for many of these leaders and also offered a constant reminder of the historically imperial habits of the United States in Latin America throughout much of the 20<sup>th</sup>

century. Calls for a shift in U.S. policy toward Cuba were already resounding throughout much of the region, but the Obama administration was not yet ready — or perhaps not yet able — to heed these cries for change.

In 2009, the Cuban government arrested and jailed a USAID subcontractor named Alan Gross for “crimes against the Cuban state” after he attempted to bring satellite phones and computer equipment to Cuba’s small

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Photo by Yareli Lage/AP/Getty Images.

A young Cuban with an American flag below the motto of the Cuban Revolution, *Venceremos!* (We shall overcome!)

Jewish community. For the United States government at the time, his arrest became an impediment to the possibility of a bilateral opening between the two countries. As long as Gross was in prison, any potential for a thaw in relations appeared to be off the table entirely. The Cuban government also resisted any thaw as long as the Cuban Five remained in U.S. prisons. As a result, a political Frankenstein was born that seemed capable of thwarting any attempted negotiations.

Three years later in early 2012, at the Summit of the Americas in Cartagena, Colombia, the Cuba question soured the two-day affair and hindered productive dialogue among leaders in the region. The impasse was so severe that, in the words of the *New York Times*, the meeting “ended without a final statement of consensus ... after the United States and some Latin American nations remained sharply divided over whether to continue excluding Cuba from such gatherings.” Latin American nations had drawn a clear red line: either Cuba would be invited to the next Summit of the Americas in Panama in 2015 or the Inter-American system — as defined by the longstanding but fading dominance of the U.S. at the Organization of American States — would, in effect, cease to function.

Notably, even the United States’ most loyal allies in the region, including President Juan Manuel Santos of Colombia, were supportive of such a drastic ultimatum. Hillary Clinton, who in her capacity as Secretary of State had attended the summit in Cartagena with President Obama, also understood this reality. Before she left the State Department in 2013, she authorized the drafting of an exit memo laying out the absolute most the United States could do to overhaul its diplomatic approach to Cuba and, as a result, revive its foundering influence in the region.

While some of the plans in the memo have yet to come to pass, including a lifting of the embargo, much of what was envisioned has been announced over the past year. With his announcement on December 17, 2014, President Obama demonstrated to the Western Hemisphere nations that he was finally willing to do what none of the 11 presidents before him had done: listen to the rationale of the United States’ Latin American neighbors. Rather than continue in vain to try to change Cuba through covert operations and sanctions, he now understood that the best way to gain influence on the island was through open dialogue, a posture he had in any case first suggested during the

2007–2008 presidential campaign, which then-candidate Hillary Clinton adamantly opposed.

Though Latin American pressure played a significant role in getting President Obama and his team of advisors to the table, shifting politics in the United States around the Cuba issue also shaped the administration’s willingness, and ability, to negotiate. As the direct impact of the Cuban Revolution gradually becomes a narrative of history books rather than a first-hand reality for more and more Cuban Americans, the intense outcry against engagement has also begun to subside. According to an Atlantic Council poll released in early 2014, Cuban Americans in Florida are now more in favor of engagement than isolation. In the Florida gubernatorial race that same year, they validated this polling data through votes at the ballot box. Although he ultimately lost the election, a Democrat won the support of the Cuban American population for the first time, arguably a vindication — or at least not a rejection — of his open support for ending the embargo. Undoubtedly, Obama, who had won a second term following the Cartagena Summit, saw the momentum shifting among the Cuban American population and seized it as an opportunity to shape his presidential legacy.

Jose Martí rides through Central Park in New York.



Photo by David Shankbone.

For Raúl Castro, the rationale behind engagement is also in some ways about legacy, but it is even more about Cuba’s future — what the Communist Party now calls the “updating of the Cuban social and economic model.” In 2018, he plans to step down from the presidency, and for the first time, someone outside the Castro family will drive Cuba’s ever-evolving transformation. Moving forward, neither the personality of Cuba’s leaders nor anti-imperial nationalism will be enough to sustain the island’s revolutionary project. By engaging with the United States now, Castro hopes to leave behind some permanent sense of autonomy in foreign policy and to secure fiscal, monetary and investment policies that can sustain both growth and a modicum of social justice for future generations.

In Cuba, the definition of “revolution” is now amorphous: socialism has supplanted communism, and with it, José Martí has triumphed over Karl Marx. Propaganda billboards that all-too-familiarly dot Cuba’s sparse highways now boast the slogan “Growth is Good.” In a remarkable shift in rhetoric, Castro talks about equality of opportunity as the focus of the Revolution rather than egalitarianism. Slowly but surely, he is trying to fortify Cuba’s economy by weaning the population off what one prominent Cuban official referred to as “the Daddy State.”

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Photo by Christian Cordova

A small businessman on the beach in Havana.

When Raúl Castro took over for his brother, Fidel, in 2006, he recognized the need for the revolutionary model to evolve if it were to survive through the next generation. In 2010, he bluntly stated, “We reform, or we sink.” Through calculated reforms, Castro has worked to rewrite the social contract and strengthen Cuba’s economy by opening up opportunities in the private sector. Since 2009, he has endeavored to cut the public-sector payroll by one million people — in a population of twelve million.

There are now approximately 200 activities for private business that can be licensed to the Cuban population. However, even with that limited number, the government has issued some 400,000 licenses for Cubans to run their own businesses. Raúl Castro and his ministers now talk of, at least as an aspiration, some 50 percent of Cuba’s economy in private hands within the next five years. The state no longer controls — or desires to control — every aspect of economic life. Small businesses and employee-owned cooperatives are legal and beginning to flourish (or flounder) as private enterprises do around the world. Through a series of agricultural reforms, the government has privatized large plots of untitled, but fertile, land in an attempt to increase domestic production. A private residential real-estate market is also growing

in Cuba. Instead of people in the street brokering properties on the black market, there are actual real-estate agencies on the island. Cuban nationals can now get a loan from the bank and buy property — a previously unfathomable reality — and small business loans (albeit very small) are slated to come on line soon.

With nearly unlimited remittances flowing to the island, anyone from the United States can fund these private sales and businesses. At present, U.S. citizens send an estimated \$3.2 billion in remittances to Cuba annually, up from around \$242 million in 1993. This amount will undoubtedly grow in the coming years. A commuter economy between Cuba and South Florida is rapidly taking hold: remittance dollars are financing small businesses on the island, which in turn are plowing money into the South Florida economy, which is exporting all manner of supplies, as well as capital, to the family business

and cooperative economy. Commercial (rather than charter) flights and ferries are set to take off in 2016.

Raúl Castro implemented his economic reform package to revive Cuba’s economy, which is hampered by lack of production and a dependency on an economically untenable Venezuela. Given the United States’ proximity to the island, opening up relations creates a natural trading partner for Cuba as it seeks to diversify its economic activity. The most tangible reflection of this aspiration is the recent \$1 billion renovation of the enormous, deep-water port at Mariel, with the support of Brazilian investment. The Mariel Port is designated a “special economic development zone,” where incentives are used to encourage international companies to conduct business. By renovating the port, Cuba has set itself up in a post-embargo world as a major outpost for the United States in the Caribbean.

Castro has also been forced to deal with the politics of pent-up demand. Many Cubans, who are highly educated but lack opportunity, are pushing for the chance to put their superior education to work. Those who are unable to find what they need on the island are lured to the United States by the Cuban Adjustment Act, which gives any Cuban citizen who arrives on U.S. soil permanent residence after

a 366-day period. They are also drawn to Spain because of what is known as the “grandchildren’s law,” which provides a Spanish passport to any Cuban citizen who can prove Spanish lineage. Or to Ecuador, which until recently had no visa requirement.

Young people who do stay in Cuba — and a notable cohort of those who are returning from Spain and the United States — are demanding a better life, a less onerous daily existence, and the opportunity to make a good living. A thaw in relations with the United States allows the Cuban government to foster a stable economic, diplomatic, and business partnership for future generations. In turn, this partnership will help feed into the geographic, demographic, and geopolitical needs of the country moving forward.

Though the preconditions that brought the U.S. and Cuban governments to the table were vital, the personalities involved on both sides mattered a great deal to making the December 2014 announcement a reality. From the Vatican and the Catholic Church in both the U.S. and Cuba to the U.S. Congress and the White House, the individuals who played a role in setting the stage for the two governments to broker a diplomatic thaw could not have been better suited for the task at hand. At points when the talks seemed like they might be going sour, what ultimately drove them

forward were more human concerns than political ones: the wish of Adriana Pérez to become pregnant even though her husband, Gerardo Hernández, one of the Cuban Five, remained locked away in a U.S. jail and the influence of Senator Patrick Leahy of Vermont to bring this wish to fruition, in an effort that the New York Times cheekily referred to as “sperm diplomacy”; a deep concern for Alan Gross’s deteriorating physical and mental state as he sat for years in Cuban prison; and the shared moral language of the Catholic faith, shaped by Cardinal Jaime Ortega in Cuba, Cardinal Theodore Edgar McCarrick in Washington, D.C., Cardinal Seán Patrick O’Malley of Boston, and Pope Francis, the first head of the Catholic Church from Latin America, who had also accompanied Pope John Paul to the island in the 1990s and authored a book about his travels. In each of these instances, and others, the actors involved relied on personal interactions and human concerns to build a tenuous trust as the formal negotiation process continued in secret.

The talks took place over a period of 18 months, mainly in Ottawa, Canada, and they culminated at the Vatican — a symbolic blessing by Pope Francis — without a single leak or break in protocol. Perhaps what is most stunning about the U.S.–Cuba rapprochement is that, in an age when the media operates around the clock and the

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Pope Francis waves to the crowd while visiting Havana in September 2015.



Photo by Carl Court/Getty Images.

Internet and social media are pervasive, these negotiations were kept secret. Some in the United States have criticized Obama for too many unilateral steps or giving away too much to superficially address human rights abuses. The Cuban gamble, however, may be even more consequential: by opening up to the United States, Raúl Castro is placing a high-stakes bet on how much control he is willing to give up to take the steps required to preserve the fundamentals of the Cuban Revolution.

When Raúl Castro hands over power in 2018, it is unclear — at this stage — how his chosen successor will keep this new consensus together. Raúl hopes that an infusion of investment on the island and a diversified trade and diplomatic portfolio, which has space for the United States but doesn't return the kind of hegemony that country once had, will create a more sustainable Cuba that is equal parts proud of its successes and open to new ideas and healthy debate. Obama's gamble is that direct dialogue and overt, but constructive, criticism will help Cuba transition toward a more open society.

The United States and Cuba will continue to convene bilateral meetings to build on existing diplomatic momentum. The biggest change to come is the congressional repeal of the embargo, which prohibits U.S. citizens from

traveling to Cuba for tourism, for example. The White House is hoping that enhanced commercial activity, made possible by Obama's use of executive authority, will compel congressional action to repeal the embargo sooner rather than later. Though it is hard to predict which president's gamble will ultimately pay off, what is certain is that consolidating this new "normal" in bilateral relations hinges first and foremost upon economic engagement. Fostering stronger economic ties will be critical not only to repealing the embargo and driving bilateral relations forward, but also to ensuring that the gains made so far outlast the Obama administration, regardless of who wins the presidency in the United States in 2016.

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A man stands on his Old Havana balcony celebrating the restoration of diplomatic relations with the U.S.



Photo by Ramon Espinosa/Associated Press.