

Center for Democracy
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AMERICAS



“Cuba’s Reforms”
The Center for Democracy in the Americas
Research Trip
June 28 – July 2, 2008

Introduction

From June 28-July 2, 2008, The Center for Democracy in the Americas (CDA) sponsored a trip to Cuba. The delegation included both our staff and five senior staff experts from the U.S. Congress.

The CDA's mission is changing U.S. policy toward the countries of the Americas by basing our relations on respect and fostering dialogue particularly with those governments and movements with which U.S. policy is at odds. The CDA runs the Freedom to Travel to Cuba campaign which has brought more than two dozen delegations to Cuba since 2001. The CDA has a Treasury Department license and complies with applicable ethics laws and rules as required by Congress.

This was the fourth research delegation sponsored by the CDA in 2008 that has coincided with the transfer of power from Fidel Castro to Raúl Castro and the process of reform initiated by Cuba's new president.

On this trip, the delegation was able to meet with and interview several senior members of Cuba's National Assembly who are involved in the reform process; Cuba's foreign relations ministry; Alimport, (Cuba's food import company); diplomats from three foreign embassies (two European, and the U.S. Interests Section); a foreign critic of the Cuban government; three foreign journalists; a leader from civil society; a leading Cuban musician; and Cuban citizens in Havana and Viñales.

The questions we asked on this trip were focused primarily on Cuba's reform process and U.S. policy. Why are the reforms occurring? What is the role of Cuba's senior leadership? Are the reforms significant? Is foreign policy also a part of the reform process? What about human rights? Is U.S. foreign policy relevant or effective? What are the future prospects for relations between the United States and Cuba? Will the reforms succeed?

Our interviews were conducted on background – we describe sources of information but we don't name names, to increase candor and to protect the people who spoke with us. In the body of the report, we describe the information we received and only use quotation marks for verbatim statements.

Several Cubans consented to be interviewed on our digital video recorder. Interviews from this trip and our other delegations to Cuba in 2008 appear in the Media Gallery section of our website: www.democracyinamericas.org.

We benefitted from the participation of our five Congressional staff members who were extremely knowledgeable in areas such as national security, intelligence, aid programs, and international trade and their questions unfailingly elicited valuable information from the people we interviewed. The conclusions in this report, however, reflect the views of the Center for Democracy in the Americas.

Findings

Why are these reforms taking place now?

As an astute foreign observer told the delegation, there is little time left to save the revolution.

A number of Cubans told us that Cuba has serious demographic and economic problems which are exerting pressure on the government to change the system. Cuba faces huge “macro issues,” including the aging of the population, future costs of social services for the elderly, the need to pay for improvements in education, infrastructure, and the health care system. On Cuba, an island of 11.2 million, the population shrank the last two years in a row. Twenty percent of Cubans are over the age of 60. The country is aging and it risks losing its youth. Without economic reforms, its demographic weight will be unbearable.

A foreign diplomat echoed this point. Economic change is being driven by the need to deal with young Cubans. They are constantly exposed to what other societies have. Tourism gives people a glimpse of what a different or better life is like. “They want jeans like everybody else.”

As a foreign journalist said, the younger generation cannot do what they want to do. They can't move out of the house, buy a refrigerator, or afford to have kids. The leadership recognizes this but they may not be able to do anything about it.

As one source told the delegation: At the dawn of the revolution, Cubans were concerned about instability –foreigners who compromised Cuba's sovereignty; the threats of tropical disease and hurricanes. Fidel ended the era of foreign domination, he improved the health system so that Cubans could live better than most in the Third World, and Cubans have the best civil defense to protect them from natural disasters. Now the government has to address the fears of Cubans today; namely, that they cannot raise a family on what they can earn.

A foreign observer put it more bluntly: “the business model doesn't work.” Look at what is coming in and what is coming out, he counseled. The price of nickel is down 41% and that is fifty percent of Cuba's export value. The oil bill increased from \$2.2 billion in 2007 to over \$3 billion (projected) in 2008. Tourism is

only slowly beginning to pick up after a two year decline. Remittances are down, he said, due to the economy. "Cuba is a cash business and the outlook is bad."

"What is going out" is represented, in part, by the escalating costs of food and fuel. Cuba imports more than 80% of its daily food requirements from overseas, and half of its arable land lies fallow. A leader of Cuba's National Assembly told the delegation, the increased prices of food and oil in general including the main staples – rice and beans, animal feed like corn, soy, and powdered milk – have forced the country to spend more than one billion dollars more for food stuff items than it spent last year.

Cuba is partially insulated from economic catastrophe because it receives 90,000 bbl per day of subsidized oil from Venezuela. Reformers, however, feel the press of time. Several told us that they have as long as five years to accomplish significant economic reforms if they are to save the system.

How should foreign observers interpret the roles of older Cuban leaders, allies of Fidel and Raúl Castro since the 1959 revolution? Are they there to enable, thwart, or limit the reforms?

The delegation spoke to a variety of sources on this subject. Foreign diplomats stressed the important roles being played by the seven senior leaders who are overseeing the reforms¹. A foreign observer said: These people are loaning the imprimatur of the Revolution to make sure that there is no unrest or criticism from the loyal cadres.

A Cuban who supports the system put it differently: "They are revolutionary. They are independent. They are historic figures in their nation. They have the legitimacy to go after the bureaucracy." If the impediments to reform can be found among middle managers in the system, these senior leaders have the credibility to force changes.

A representative of civil society identified the limits to change that their roles could imply. He said: "How can you destroy what you created after 50 years? You said it was the best, and now you say it is not working? The leaders who created it are still in power. This is different from Eastern Europe. They must

¹ The Commission members are: Raúl Castro, José Ramon Machado Ventura, Juan Almeida Bosque, Abelardo Colome Ibarra, Carlos Lage Davila, Esteban Lazo Hernández and Julio Casas Regueiro."

<http://embacu.cubaminrex.cu/Default.aspx?tabid=6976>

transform the situation from within. Are they capable of doing it? I don't know. They know they should. But will they be able to do so? I don't know."

No source told the delegation that Fidel Castro has any continuing role in running the country. A diplomat did say his presence produced occasional confusion; for example, Fidel Castro published an editorial criticizing the European Union for its decision to end formally sanctions on Cuba while still criticizing problems relating to human rights. The Cuban government supported the EU decision, and the diplomat agreed that what the government said was the only thing that mattered.

A foreign journalist talked about the special credibility of the senior leadership and why the job of reform could not be left to a successor generation of younger Cuban officials. "For many people," he said, "Cuba is being led by George Washington and Abe Lincoln and there is no need to elect anyone else. In five or ten years, it is going to be a problem because people don't want to be told what to do by people with no credentials."

The government of Raúl Castro is taking Cuba in a number of directions that are quite different from the path followed over the last fifty years.

"Nothing is off-limits."

First, average Cubans are having their say. More than a year ago, Raúl Castro appealed to Cubans to voice their concerns at thousands of meetings which took place across the island. These discussions produced over a million suggestions that were forwarded to the Cuban Communist Party. This can be seen, one source said, as a *de facto* referendum on reforms and the government's task for the future.

Second, the government is allowing open criticism. State run media detail investigations into wasteful practices and corruption. Pressure is being put on the Cuban bureaucracy to reform. Party officials at several levels have been removed from office because of problems ranging from inefficiency and ineffectiveness to illegality.

We directly experienced the extent to which the political climate has changed. It is now legal for Cubans to enter tourist hotels. Members of our delegation sat in the Hotel Nacional with three Cubans – a physical therapist, a soap factory worker, and an inspector who enforces commercial and residential regulations – to discuss the reforms and interviewed two of them for the Center's video library.

They felt confident enough to express their views on camera. This is a real change.

During those interviews, it should be noted, two of the Cubans told us that they are not personally benefiting from the reforms announced to date. Their lives from an economic perspective have not improved and they expressed mixed views about whether the government would be able to make a difference in the long-term.

These are examples of how Cuba's political climate is changing. As one foreign journalist put it, Raúl has stopped blaming everything on outside factors and focused the debate on domestic issues.

Third, the government is openly contemplating changes that deviate significantly from standard socialist doctrine. Members of the National Assembly told the delegation the aim of the system is not (or is no longer) egalitarianism. One said that many of the solutions lie outside traditional socialism. We heard suggestions about cuts in government subsidies and eliminating the universality of benefits in favor of targeting those benefits to more vulnerable populations. One member of the National Assembly even said the ration book itself would be reexamined.

Fourth, the government is making reforms that expand the personal liberties of individual Cubans. Raúl Castro promised Cubans in an address before the National Assembly that excess prohibitions that could no longer be justified would be removed. Included among these are the rights of Cubans to purchase cell phones and other consumer goods, and the right to stay at tourist hotels –reforms dismissed as “cosmetic changes” by the U.S. government.

Cubans view these changes differently. As one civil society leader told the delegation: “After we saw (the reforms on) cell phones and computers, you might say not a big deal, but after you cannot have it, it is something great.” Others are not impressed since the prices, as one factory worker told us are “ridiculously high.”

Cuba's economic problems also have an important moral dimension that concerns many Cubans.

“We always wait for the government to do it, the government to do it, the government to do it, thinking that the government has to do everything, but there are things we can solve ourselves to make the human condition better.”

From government officials to ordinary citizens, both loyal party members and non-members, to critics of Cuba's system – the delegation heard repeated expressions of concern that Cuba's system was causing the values of Cubans to deteriorate. Cuban families cannot live for a month on the benefits of a ration card which provides two week's worth of groceries. Cubans improvise, rely on charity, or steal in order to get by.

A member of the National Assembly told us: In Cuba, it is very easy to get by without working. Somebody who gets \$100 from Miami can live fine. They receive their items on the ration card; they don't pay for housing, education or health care, and they get by just fine. He questioned where the incentive to work is if you receive many free and subsidized services and products regardless of your contribution to society. He said, we understand that people are receiving what they are not working for.

An economist loyal to the system said, we learned from many years of socialist economy. Life will always find a way to survive. If you provide incentives to people to break rules, you are changing not only behavior but values.

A Cuban doctor who travels abroad told us: "Many problems are not the State's fault but a result of human values deteriorating, like treatment of patients at clinics and hospitals. Doctors and nurses have the training but hardships of the special period have created selfishness and deteriorating values."

A leader of civil society said to the delegation: This kind of society creates more opportunities for corruption than you can imagine. It is insane. Even people who migrate to the U.S. are stealing toilet paper and forks in restaurants.

These comments, coming from a diversity of sources, commanded our attention, and we later understood how these concerns could be addressed in both policy and personal terms.

Are the reforms serious and will they make a difference?

The delegation heard repeatedly that the reforms in agriculture are quite significant and deserve to be treated as such. These reforms aim to make Cuba more prosperous and act as an important hedge against rising world prices. The Cuban government wants to boost food production and move aggressively to substitute Cuban food for foreign imports.

Cuba is taking decisions to move obstacles to food production. They "gutted the bureaucracy in the agriculture sector," as one source said, and decentralized decisions to give more power to provincial authorities and to individual producers. As a delegate to the National Assembly told us, there

were some important decisions about the ownership of land, commercialization, plant health, animal health, issues related to forestry service – all of these were decentralized and were taken to the municipal level. They also acted to reduce the power of the small farmers association that was an opponent of decentralization.

Other steps included giving new rights to farmers, access to equipment without asking permission to obtain it, the right to apply to own land, and opening agriculture to foreign investment. One source predicted it will take a year for the changes to percolate downward and be felt.

At Alimport, an agriculture expert conceded that some products cannot be produced in Cuba – mentioning wheat, corn, soy, and even rice, in sufficient volumes. It will take years to compensate for imports. In rice, for example, they are producing 250,000 metric tons vs. 600,000 metric tons of rice in imports. But they have increased hectares planted in rice and they expect to see results over time. The government is also targeting beans, milk, pork, and vegetables as priorities for increasing domestic production of food.

Economic reforms at the micro-level are designed to reward people for doing productive work, to provide incentives to them by linking production with their salaries. As a National Assembly delegate said, if I don't work, should I make the same as the person that does work? We are taking measures to increase the value of work and incorporating it with the socialist principle.

This gets to the moral dimension of economic reforms. By diminishing the focus on egalitarianism, there is a change in social pressures: it doesn't make any difference how much you earn; it is whether you earned it legally. The government is trying to reduce the impetus to act illegally in order to make ends meet, and it wants to diminish the need for Cubans to seek income from an outside job.

The reforms are still being thought through by the government. Some are taking time to be implemented. As we were advised, the notion of pay for performance is fine, but it is only meaningful with measurable increases in productivity. The government announced in late January that it would tax people who work for foreign companies and foreign embassies on the monthly cash bonuses they receive as part of its effort to make more economic activity legal and bring it within the system.

However, when bureaucrats announced the new tax to workers who it would affect they were met with jeers and shouts and the meeting had to be canceled. The workers were upset about the tax, but more so that the "under the table" gratuities that they were paid each month were technically illegal and should be recognized legally before they are taxed.

Cubans are not yet persuaded that even these changes will make a difference. A foreign diplomat reported, the effects are small and they're "not biting yet." As one Cuban worker told us, the economy is bothering a lot of people. "You work and work and it doesn't give you enough to live. You have to do things outside your job, sell this and sell that." He is still waiting for economic changes that benefit him.

The biggest economic change yet to be accomplished is ending Cuba's dual currency system, which divides the society between those who have and do not have access to hard currency. This reform is enormously complicated, and will be very expensive and likely disruptive. The delegation heard repeatedly, however, that it is a reform that has to be made. The government has acknowledged they are studying ways to merge the two currencies without a destabilizing effect and intend to do so gradually.

What about changes in Cuba's foreign policy?

Several sources said that Raúl Castro is seeking greater stability in Cuba's foreign policy relationships. Under Fidel Castro, the delegation was advised, there was conflict not only with the United States but with regional powers (Mexico, for example) and others.

As a foreign diplomat told us, Cuba is changing its approach. They have a strategy to diversify their portfolio of relationships to rely less heavily on Venezuela. Brazil and Mexico are the key ones. Mexico recently rescheduled debt. Brazil offers credits. The Cubans are looking for different sources of money.

This trend was echoed by a foreign critic of Cuba's government, who also observed Cuba starting to address its dependence on Venezuela for oil. They are putting out feelers, he said, to Lula and Brazil, Gazprom (Russia), and Angola. These sources will sell to Cuba the 90,000 bbl per day it is getting from Venezuela; the key being "sell", not "give."

Some Miami Cubans have advised the Bush administration to accept, if not encourage, a growing role by Brazil in Cuba so that it "can be a wedge against Chavez." Lula can play not just an economic role but a political role as well.

Summing up Cuba's foreign policy situation, a Cuban told the delegation, this is the best moment economically and politically since the Soviets. In the region, he said they could even win a vote now to get into the Organization of American States (OAS).

What about human rights?

The delegation engaged in repeated dialogue on the question of human rights. This issue was raised with foreign diplomats, the chief of the U.S. Interests Section, Cuba's Foreign Ministry, with Cubans who support the government, and with a leader of civil society. The issue was ripe, in part, because our trip to Cuba immediately followed a decision taken by the European Union (EU) to change its policy toward Cuba.

Since Raúl Castro became president in February 2008, Cuba has released several political prisoners, met with a high-ranking Vatican diplomat, affirmed the role of the Catholic Church on the island, signed the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, suspended the death penalty, and worked with the EU on its policy change.

A foreign diplomat related details about the EU's decision. In 2007, the EU got signals from the Cubans that they wanted to do business; that is, remove sanctions that had been in place since it rounded up dissidents in 2003 and have a political dialogue. The offer of a dialogue was promising to the Europeans because they are pro-engagement. They had a difficult negotiation.

In its June 2008 action, the EU affirmed its 1996 position: support for democracy and human rights in Cuba, and a two track approach to diplomacy. They highlighted political prisoners and the right to meet dissidents. In that context, they are happy to enter a dialogue and after a year, if there is progress toward their goals, they would continue the dialogue. The next year is crucial: they need to see progress in dialogue and progress on human rights.

Sanctions are gone for good. If the progress is not satisfactory after a year, the dialogue would stop. The Cubans want a different outcome – an end of the EU Common Position and an association relationship. That would be a big change and it is hard to see how it could happen, this diplomat argued, because the Cubans would have to move substantially on human rights.

During the negotiations, the EU found that Cuba was being more constructive. They do not act as if they are besieged. It is a more positive relationship. These are good signals. But they still need to implement the two covenants on human rights, and they are nowhere near that. Another foreign diplomat informed us that Cuba is working hard to implement the Covenant on Economic, Social and

Cultural Rights and that the main stumbling blocks to doing so are the issues of free trade unions and private schools.

On the negative side: The signals sent by Cuba are aimed at the international level. Nothing has been done yet that shows that the Cubans have taken steps domestically to improve things. For example, the diplomat said that the repression of dissidents continues. It is less visible. It comes from less organized harassment. It still does happen. While estimates vary, there are still 200 or so political prisoners in Cuban prisons, although the government disputes this and calls them foreign mercenaries.

A Cuban loyal to the system reflected on the issue of human rights and said political dialogue works. We have a constructive dialogue with the Canadians, they are conservative, and it is part of a political process. It is the same with the Europeans. Of course there are differences. It doesn't mean that human rights are not part of the agenda. But it is not with the end game of regime change. We want to be ourselves.

The limits and failures of U.S. policy toward Cuba

Many people outside of Cuba do not understand our history and characteristics and believe that if our reform process does not fit into a pre-conceived model it is wrong. This is why we listen to other people and not Americans. We don't trust Americans.

Members of the delegation examined issues relating to the limits and failures of U.S. policy throughout our visit to Cuba.

Pressure: The strongest message we received was that U.S. policy is counter-productive because it misunderstands Cuba's history and its character. It is predicated on our ability to force change from the outside, and the consensus among Cubans and outside observers is that external pressure can never work to force internal change.

A Cuban economist explained: Here, there is extreme sensitivity to the way we define ourselves. Think of Cuban history, forget the Soviets, it is about 500 years of domination. Even if we are wrong, we know from Cuban history that someone has always been telling us what to do. Every Cuban politician has to define himself in light of that history. We are extremely sensitive to the perception of pressure.

He continued: We are threatened by the superpower of the world. This produces a defensive mentality that permeates everything. It is a natural

consequence of 50 years of punishment, isolation, and threat. We don't want to be seen as responding to outside pressures.

"Many people outside of Cuba do not understand our history and characteristics and believe that if our reform process does not fit into a pre-conceived model it is wrong. This is why we listen to other people and not Americans. We don't trust Americans."

A foreign diplomat whose government supported the EU sanctions said flatly: "The Cubans will not be subject to pressure. If they do something, it will be because they decided to do it. They don't respond to pressure."

Preconditions:

Cuban Diplomat: There is a law, the Helms-Burton law, that says before the U.S. recognizes a Cuban government or starts negotiations with the Cuban government, or the U.S. thinks about the possibility of lifting economic sanctions, before that, Cuba has to make fundamental changes in its economic and political system. That is non-negotiable. We are going to decide for ourselves what kind of system we have. In no case would we sit down with the U.S. to make changes in our political system.

U.S. Diplomat: There is only one proper way for the United States to conduct itself vis-à-vis relations with Cuba. We have to uphold our standards. That means, for example, no negotiations with Cuba so long as they hold political prisoners. [He said that he favors negotiations without preconditions, but] we should not talk to them while they are holding political prisoners. [Emphasis added]

U.S. policy is designed to produce a stalemate. A representative of Cuba's foreign ministry told the delegation that Cuba would sit down with the United States insofar as there were no preconditions for such talks. The U.S. Interests Section said that Cuba would have to release all of its political prisoners before a dialogue could take place. Congress would have to change Helms-Burton, or the Executive Branch would have to change its negotiating position, before meaningful negotiations can take place.

Provocations: Two issues in the current period particularly provoke Cuba's government: the program of assistance by U.S. AID to "support democracy" in Cuba; and recent evidence that the former Chief of the U.S. Interests Section, Michael Parmly, brought money into Cuba for dissidents from Santiago Alvarez, a Cuban-American businessman once convicted in the U.S. of conspiring to

collect weapons to overthrow Fidel Castro, who heads Fundación Rescate Jurídica in Miami.

As a Cuban diplomat told us, the U.S. authorizes millions to spend for its democracy project in Cuba. This is money to produce regime change. This money is illegal in Cuba. These actions are illegal in the US. If another country was doing that outside the U.S. or inside the U.S., it would be illegal.

Editorial note: The Congress has been negotiating with U.S. AID over the fate of the Cuba assistance program, which has been plagued for years by corruption and waste. Two organizations have had their grants suspended over recent allegations. Cuba's problem, of course, is not that the program is mal-administered, but that it is being used to finance activities aimed at promoting dissent and regime change on the island.

Two foreign diplomats reviewed the facts around the Parmly allegations with the delegation. One called the source of his funds "troubling," saying, "If the Cubans are correct on the source of the money that is a source of concern. One of the side effects is that it removes credibility from the dissidents. The regime wants to discredit the dissidents. It hurts them because of the source of the funds." The delegation asked another diplomat if he would use his immunity to carry cash into the country. He said, "Never."

We don't operate in the U.S. national interest: One Congressional staff member on the delegation repeatedly posed a question: why is the current policy in the strategic interests of the United States?

In our discussions at Cuba's foreign ministry, the delegation heard repeated examples of opportunities lost by the United States:

- Drug interdiction. Although the U.S. Interests Section now has a Coast Guard liaison posted in Havana, the U.S. government only allows cooperation on a case-by-case basis. Cuba would engage in a broader pattern of cooperation, but we will not engage in that manner.
- Migration. The Bush administration cancelled talks on issues relating to migration with the Cubans in January 2004. There exists now a dangerous situation with human traffickers operating in Mexico, exacting huge payments from Cubans seeking to leave the country, and this has resulted in problems involving deaths of migrants, crime, problems at sea, and problems at the U.S.-Mexico border.
- Environmental mitigation. Cooperation on environmental issues was cancelled by the Bush administration, according to Cuba's foreign ministry.

- Addressing weather and natural disasters. Although there is some cooperation in this area approved by the United States government and Cuba (for example, Cuba allows over-flights by U.S. weather aircraft), U.S. government staff have been blocked from participating in a conference with Cuban officials on this issue.
- Trademark protection. There are more than 3000 U.S. trade marks protected in Cuba. Bacardi and General Cigars, according to the foreign ministry, have tried to appropriate the trademarks of Cohiba Cigars and Havana Club. Cuba's government has appealed to the U.S. to protect the rights of Cuban enterprises and the U.S. government has not responded.

In terms of the national interest, we heard at Alimport another example of how U.S. policy boomerangs against us:

- Lost agricultural sales. Due to additional burdens imposed by the Bush administration, Cuba estimates that \$300 million in sales have been lost by U.S. producers.

We miss opportunities:

We have dialogue with Canada, Spain, and the EU, even on human rights. It produced a sign from the Cuban side on the death penalty, a compromise on human rights, and the release of some political prisoners. Why not acknowledge that rather than saying it is not enough?

The delegation heard from several sources U.S. policy results in missed opportunities, and this imposes additional costs on us.

As one foreign diplomat said, Cuba is sending the signal that they are willing to talk. They are also sending the message to the U.S. that if their policy is not changed they will be completely isolated. They want to talk and the U.S. should take them seriously.

Raúl Castro, who has ended the practice of issuing harsh attacks against the United States, has also made repeated offers to the United States for dialogue. We don't acknowledge these offers or his change in tone at the top.

Limits on the U.S. Interests Section:

The U.S. Interests Section has the largest the largest staff (52) of any foreign mission in Havana. Yet, as diplomats from two foreign embassies told us, they are completely frozen and insulated from Cuban officialdom. They have no official contacts with the government, no appointments with the foreign affairs

ministry. One diplomat said, “They see no one in the broadest terms. Their contacts are only informal and their strongest contacts are with the dissidents.”

At one point during our conversation with the Interests Section, a U.S. diplomat implied that the program of distributing state land to private individuals has stalled in Pinar del Rio. He said that he heard that had happened. “Is it true?” he said, “I don’t know.” He threw it out there, and left us with the impression it was true. But apparently he had not acted – or didn’t have the means – to verify it himself.

His lack of intellectual curiosity aside, it is true that U.S. staff cannot leave Havana, because of travel restrictions imposed on them by the Cuban Government and reciprocal limits imposed on Cuban diplomats who work in their Interests Section in Washington, DC.

By contrast, the staffs of other foreign embassies in Havana travel the country. They see who they want. As one diplomat told us, travel outside of Havana is essential, that’s how you get to know Cuba. Here in Havana you see prosperity. You have to get outside the city to get a broader view.

Probably our most dismaying moment in the discussion with the U.S. Interests Section came when the group asked about resuming the freedom of Americans to travel to Cuba. A senior U.S. diplomat told our group: “A fat American in Bermuda shorts is not an agent of change.” [Emphasis added]

Future of U.S. Cuba relations

If a candidate sends a message that everything will be the same, and only uses the stick, you can imagine the way that such a message is received. We can resist. We can resist another fifty years. It doesn’t matter if another 20,000 people leave the country, we will resist. It is just a message anyway, because they cannot change anything inside this country.

The delegation heard a number of suggestions about how the United States could move forward if it wanted a productive relationship with Cuba’s government.

Top on the list was a change in attitude by the U.S. – it has to recognize Cuba’s sovereignty and approach negotiations from a position of no-preconditions.

As a Cuban diplomat said to us: With other countries that respect Cuba, and do not put preconditions on our ability to talk, or preconditions that have to do with domestic issues, anything can be discussed. We are ready to discuss human rights to show what we have been doing...We are having discussions on human rights with Spain. This is part of what we do, but not as a precondition to having a normal interaction with the others.

Short of entering into discussions about normalization and repealing the embargo, clearly the end game of a process (and what one foreign observer called a politically loaded last step), what could be done to start the momentum toward change?

A critic with ties to Miami recommended: negotiations over the future of Guantanamo, removing Cuba from the terrorist list, changing terms for agriculture sales (eliminating the requirement for cash and allowing credit), lifting the sugar quota and the ethanol quota to create markets for Cuban exports to the U.S. (with Brazilian participation).

A Cuban loyal to the system suggested: improvements on travel, increases in remittances, new opportunities for academic and cultural exchanges, and cooperation in areas such as environmental protection and immigration.

Alimport pointed to shared commercial opportunities to broaden the relationship by expanding travel and trade. An agricultural expert said one likely Cuba export is services, at first, because American tourists would come here – airlines, shipping companies, and professional services. Other sectors where exports can occur are Cuban cigars, rum, music, nickel, seafood, and biotechnology products. They can also send tobacco and coffee to the U.S. market.

In the end, it gets back to attitude and the question of whether there is a shared goal. A member of the delegation asked a knowledgeable Cuban how his government would react if the new American president appointed a Special Envoy.

The question is: what is the mandate or framework? He responded it's the instructions, not the nomination...It could be constructive. It could be a dramatic way to get things moving. There have been three offers of dialogue since Raul Castro took over. How much do you want?

Everything depends on systematic dialogue and contact at several levels.

Conclusion

Cuban leader warns of austerity

Speaking for 48 minutes, President Castro warned the crowds that the economic austerity suffered in recent years would not be helped by increases in world food prices. "The revolution has done and will continue to do whatever is possible to continue to advance and reduce to the bare minimum the inevitable consequences of international crises to our people," he said.

BBC, Sunday, 27 July 2008

There was a flurry of significant reform activity in the first 100 days following Raúl Castro's election as Cuba's president. The greatest focus of this activity was in agriculture. But as of this writing, there have been no new initiatives announced in several weeks, and the government instead has used its public communications to the Cuban people to signal days of economic pressure to come, along with repeated calls for greater productivity and hard work. Cuba has not been spared the impact of escalating commodity prices, and reduced levels of national income limit its flexibility to address the economic problems that most concern Cubans.

The two biggest reforms, not yet undertaken, will put the leadership to a test: abolishing the system of dual currency and eliminating "permiso de salida" (exit permits) in order to give Cubans the right to leave and return to Cuba without limits. These are the reforms that Cubans want the most, but ending the two-tiered currency will be expensive and ending exit permits is not without its own challenge to the basic system.

We had direct exposure to leaders of Cuba's government, its foreign ministry, and members of the National Assembly who are directly involved in policymaking in areas such as agriculture and health care. They demonstrated a seriousness of purpose and a surprising willingness to discuss policy ideas that deviate significantly from standard socialist doctrine. Everything short of changing the model itself seems to be on the table. As one Cuban loyal to the system said, they are going to try and make the model work.

As one foreign diplomat said, "I think that Raúl means to reform this country economically. He needs to do that. He needs to get the country back on its feet. They don't want to be perceived as having brought the country to its knees. They want a better legacy. But nothing will be done to endanger the political system."

As much as Cuba has concerned U.S. policy for fifty years, it was hard during this visit not to be reminded how utterly isolated the United States is, particularly at this moment of debate and change inside Cuba.

If a new administration chooses to embark on a different policy, there is a framework for moving forward – incrementally at first – but with the ultimate goal of restoring relations between our two countries. The old policy has clearly run its course. The Cubans who spoke with us are hopeful that change is possible.