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THE NEW CUBA POLICY

Fallacies and Implications

José Azel

Following President Obama's announcement of a rapprochement with the Cuban regime, US government officials have offered three basic avenues to the economic reforms they say will ultimately result in greater personal freedom for the island's citizens: fostering the small-enterprise sector in Cuba, encouraging US investments, and boosting US tourism to the island. These efforts to produce prosperity, together with the reestablishment of diplomatic relations, they believe, will advance US security and democratic governance in Cuba. Critics of the initiative, however, believe that this new policy is, as Samuel Johnson said of second marriages, a triumph of hope over experience, and that in the long run it will harm US national interests almost as much as it disappoints the Cuban people.

The architects of the new policy rationalize that unconditionally ending economic sanctions will strengthen Cuba's self-employed sector and, thus, foster a civil society more independent of the government. Eventually, they explain, this more autonomous civil society will undergo a revolution of rising expectations that will pressure the regime for democratic governance.

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In theory, a good idea. In reality, however, more easily theorized than implemented. In a totalitarian system such as that which has afflicted Cuba for more than half a century, those in self-employed activities remain bound to the government for the very existence of their businesses, which will be subject to the licenses, sanctions, etc. by which the system asserts its power. Rather than conferring independence from the government, self-employment in a totalitarian context makes the newly minted entrepreneurs more beholden to government and governmental controls in myriad bureaucratic ways and not likely to challenge those who have power over them.

Under totalitarian rule, there is nothing intrinsically liberating about having a business. During the student protest in Tiananmen Square, China's business community did not come out in support of the students. Nor, more recently, were the business communities in Hong Kong willing to jeopardize their status—something dependent on the sufferance of the government—by supporting students promoting democratic change. What makes administration officials think that a Cuban business community bound to an all-powerful state for its very existence would act differently?

Supporters of the new policy believe that a critical mass of self-employment will make it very difficult, if not impossible, for the regime to resist the social pressures for change. The vision is of thousands of new micro-firms operating as an unstoppable force for change. But in addition to being tainted by economic determinism, it is also a vision that fails to account for the nature of the Cuban regime or the lessons of Cuban history.

Beginning in the early days of the revolution and climaxing with Fidel Castro's "Revolutionary Offensive" of 1968, the Cuban regime embarked on an effort to eliminate all private property. First came the expropriations of foreign enterprises, followed by the expropriation of large Cuban-owned businesses, and finally all economic activity was taken over in 1968.

According to Cuban government statistics, 55,636 micro-enterprises, mostly of one or two persons, were confiscated during this period. Among them, 11,878 food retailers, 3,130 meat retailers, 3,198 bars, 8,101 food establishments, 6,653 dry cleaners, 3,345 carpentry workshops, 4,544 automobile mechanic shops, 1,598 artisan shops, and 1,188 shoeshine stands.

Even this sizable private sector (which had experienced the imperfect but comparatively lively economic freedom of the pre-Castro era) was brought to heel by the regime in less than a decade. It was part of a civil society still imbued with the political principles of the 1940s Cuban Constitution enshrining liberty, yet it was unable to resist the communization of the island, or mitigate the aims of the regime.

Not coincidentally, this period of the eradication of self-employed entrepreneurs was the most brutally repressive of the Castro era, with thousands of executions and tens of thousands of long-term political prisoners. A strong argument could be made that self-employment without the guarantees of political freedom is an invitation to intensified repression, which could in fact be one of the unintended consequences of the new policy.

The self-employment Cuba now permits involves 201 subsistence activities, such as repairing umbrellas and peeling fruits, where work is done only by government permit. Its participants are mostly individuals born after 1959 with no living memories of political freedom. It is hard to imagine them as a sophisticated vanguard for democratic reform.

WHOSE POPE?

Francis and Cuba

José Azel

Eight hundred years ago, the Magna Carta laid the foundations for individual freedoms, the rule of law, and for limits on the absolute power of the ruler.

King John of England, who signed this great document, believed that since he governed by divine right, there were no limits on his authority. But his need for money outweighed this principle and he acceded to his barons' demand to sign the document limiting his powers, in exchange for their help.

King John then appealed to Pope Innocent III, who promptly declared the Magna Carta to be "not only shameful and demeaning but also illegal and unjust" and deemed the charter to be "null and void of all validity forever." Thus from the beginning of the conflict between individual rights and unlimited authority, the Church sided with authority. It is a position

The question of US investment hardly looks better. In March 2014, hoping to attract new investments, Cuba adopted a new foreign investment law it described as “strategic and transcendental.” Despite the vaulting language, more than a year later only a handful of investments have been approved.

On paper, the new Cuban investment law purports to allow 100 percent foreign ownership of a project. But in fact foreign investors have always been reduced to the status of minority shareholders in enterprises where the Cuban military is the controlling shareholder. The law also stipulates that the foreign investors’ assets may be expropriated for reasons of “public utility” or “social value.” Not a reassuring formulation in an environment of systemic corruption, where there is no independent judiciary to adjudicate claims by a foreign investor.

The Cuban foreign investment law also imposes an Orwellian staffing process in violation of international labor protocols. Foreign companies are not allowed to hire their own employees. Instead, they must request whatever staff they require from a Cuban government agency that provides the employees and invoices the foreign com-

that, with notable exceptions, has characterized the Church’s conduct in state affairs to this day.

In 1929, the Holy See signed the Lateran Treaty with Benito Mussolini’s fascist government in Italy, recognizing the Vatican as an independent state. In exchange for the pope’s public support, Mussolini agreed to provide the Church with financial backing. Four years later, the Vatican signed the Reich Concordat to advance the rights of the Catholic Church in Germany. The treaty predictably gave moral legitimacy to the Nazi regime and constrained the political activism of the German Catholic clergy who had been critical of Nazism.

For most people, the Catholic Church is simply a religion, but the fact is that it is also a state with its own international politico-economic interests and views. Needless to say, official coziness with authoritarian rule stands in contrast with the biblical stories of Jesus Christ being persecuted by a tyrannical regime. The irony is surely not lost on Cubans, who themselves suffer under political persecution today. The question is whether the Church will side with the people or with the brothers Castro.

pany for their salary, which is paid to the government agency in convertible currency. In this “worker’s paradise,” the government agency then pays employees in Cuban pesos, retaining, for the state, approximately 92 percent of the salary paid by foreigners.

Would any responsible US company—particularly one publicly traded and subject to governmental oversight and investor scrutiny—invest under these conditions? The relatively small and impoverished market of 11 million, with an average monthly income of twenty dollars, is not much of an attraction. Even less is the prospect of paying the government rather than these impoverished workers themselves.

Finally, the proposition of US tourism seems intuitively reasonable: American tourists will act as ambassadors for democracy by sharing their values and expectations with the Cubans they meet and interact with. Yet even when this is the case, it does not follow with any certainty that such ambassadorship can bring about the empowerment of the citizenry in a totalitarian regime.

Cuba has not exactly been a hermit kingdom. For decades, 2

Pope Francis was probably not thinking of the Magna Carta or the Reich Concordat when he warmly received General Raúl Castro in the Vatican earlier this spring, and he probably won’t be thinking about that foundational document for individual freedoms, the rule of law, and limits on power, or how the medieval Church spurned it, when he travels to Cuba in September. But the questions of the Vatican’s support for authoritarianism and the pope’s political ideology will be in the background of his visit nonetheless.

In political terms, Francis is himself the head of an authoritarian state, an oligarchical theocracy where only the elite—the College of Cardinals—participate in the selection of the ruler. Most religions do not follow a democratic structure, but the Catholic Church is unique in that it is also a state recognized by international law.

Francis may seem to be sailing against the winds of this structure in some of his carefully publicized “iconoclasm,” but clues of his political and economic thought regarding Cuba show someone very comfortable with certain situations as they are.

In 1998, the archbishop of Buenos Aires, Monsignor Jorge

million tourists a year from Canada, Europe, and Latin America have traveled and enjoyed conversations and contact with the natives without changing the Cuban regime in any way. The more empirically valid argument is that expenditures by tourists will add to the longevity of the regime, since the monies flow into enterprises controlled by the Cuban military. Tourist dollars come with no strings attached: they are unconditional, allowing the regime to fill its cash registers without making the slightest economic or political reforms in return.

Advocates of tourism as a spur to democratic governance counter that Cuba is different from Vietnam or China, where mass tourism has not materially liberalized government control, and suggest that it is not the total number of visitors that counts, but the advent of mass American tourism itself. Yet they never say why American tourists will produce more pressure for democracy than, say, Canadians. And if there is a long cultural and historical exchange between Cuba and the US, isn't the one with Spanish-speaking tourists from Latin America and Spain more profound?

It is not as if there will be a harmonic convergence between the increasing numbers of American

Mario Bergoglio, as the pope was then known, authored the book *Dialogues between John Paul II and Fidel Castro*. In my reading of the pope's complex Spanish prose, he favors socialism over capitalism provided it incorporates theism. He does not take issue with Fidel Castro's claim that "Karl Marx's doctrine is very close to the Sermon on the Mount," and views the Cuban polity as in harmony with the Church's social doctrine.

Following Church tradition, Francis severely condemns US economic sanctions, but he also goes much further. He uses Cuba's inaccurate and politically charged term "blockade" and echoes the Cuban government's allegations about its condign evil. He then criticizes free markets, noting that "neoliberal capitalism is a model that subordinates human beings and conditions development to pure market forces... thus humanity attends a cruel spectacle that crystalizes the enrichment of the few at the expense of the impoverishment of the many." (Author's translation.)

In his prologue to *Dialogues between John Paul II and Fidel Castro*, Francis leaves no doubt that he sympathizes with the Cuban dictatorship and that he is not a

tourists who will visit the island and Cuban citizens. Most tourist resorts are in isolated areas, controlled by the security apparatus, and off-limits to the average Cuban. Most Americans will relate through a language barrier, and it is not clear that they consider their vacation time as an opportunity to subvert the Cuban regime rather than relax with *mojitos* on the pristine beaches. A majority of the visitors will be cruise ship tourists, disembarking for a few hours to purchase rum and cigars before heading back to the ship and on to the next port of call.

Here's something else worth considering: American tourism, a staple of Chinese life for a quarter-century, represents only 1.6 percent of tourism there. In Cuba, tourists from the United States account for 3.3 percent of total tourism, twice as much, over a shorter period of time. What must be the percentage of tourists from America, and for how long, to "bring democracy" to the island?

A slightly different version: China, with a population of 1.3 billion, receives 2 million American tourists each year. Cuba, with a population of 11.2 million, welcomes 90,000 Americans. Thus, on a per capita basis, Cuba welcomes one American visitor for every 124 Cubans, while China receives one

fan of liberal democracy or free markets. He clearly believes in a very large, authoritarian role for the state in social and economic affairs. Perhaps, as with many of his generation, the pope's understanding of economics and governance was perversely tainted by Argentina's Peronist trajectory and the country's continued corrupt mixture of statism and crony capitalism.

At any rate, his language in the prologue is reminiscent of the "liberation theology" movement that developed in Latin America in the 1960s and became very intertwined with Marxist ideology. Fathered by Peruvian priest Gustavo Gutiérrez, the movement provided the intellectual foundations that, with Cuban support, served to orchestrate "wars of national liberation" throughout the continent. Its iconography portrayed Jesus as a guerrilla with an AK-47 slung over his shoulder.

John Paul II and Benedict XVI censured liberation theology, but after Francis met with Gutiérrez in 2013 in "a strictly private visit," *L'Osservatore Romano*, the Vatican's semi-official newspaper, published an essay stating that with the election of the first pope from Latin America, liberation

for every 650 Chinese citizens. This means that the per capita concentration of American tourists in Cuba is five times greater than that of Americans in China, and yet no democratic reforms are visible in either country. How many American tourists per capita are required to “bring democracy”?

Last year, when the *New York Times* editorial board and others intensified their campaign for a unilateral and unconditional change in US-Cuba policy, I wrote an essay asking what the Castro regime would do if the United States were actually to do what it has now done.

I noted in that essay that not probing how the regime would respond to such a development was a curious omission since US foreign policy is often compared to a chess game in which every prospective move is analyzed and weighted with an eye to what the adversary’s counter-move would be.

I argued that it was irresponsible to advocate for a policy change such as the *Times* advocated without offering at least a theory of what the other party would do.

No such theory was advanced—neither then, nor when President Obama finally announced

theology can no longer “remain in the shadows to which it has been relegated for some years.”

The political ideology of Monsignor Bergoglio may not have been of any transcendental significance. But as Pope Francis, he is now the head of a state with defined international political and economic interests. These state interests and personal ideology will be in full display in his upcoming visit to Cuba and the United States.


In *Dialogues between John Paul II and Fidel Castro*, Francis speaks of a “shared solidarity” but, as with Pope Innocent III’s rejection of the Magna Carta, that solidarity appears to be with the nondemocratic, illegitimate authority in Cuba and not with the people. This is a tragic echo of the Cuban wars for independence, when the Church sided with the Spanish crown and not with the Cuban *mambises* fighting for freedom. No wonder that when Cuba gained its independence, many Cubans saw the Church as an enemy of the new nation.

In his September visit, Francis will have a chance to reverse this history and unequivocally

his intention to seek normalization with Cuba, nor in his State of the Union message when he urged Congress to unilaterally eliminate all economic sanctions. Instead the Obama administration waited to get the answer from Raúl Castro himself.

On January 28th, addressing the summit of the Community of Latin American and Caribbean States in Costa Rica, General Castro, who has ruled Cuba since his brother Fidel stepped aside in 2008, set his preconditions for re-establishing normal relations. For this to happen, the United States must:

- Unconditionally eliminate all economic sanctions.
- Return to Cuba the US naval base at Guantánamo.
- Stop all transmissions of Radio and TV Martí.
- Compensate Cuba for the supposed damages caused by the embargo, which Cuba estimates at \$116 billion and growing.
- Remove Cuba from the US “State Sponsors of Terrorism” list.

put the Church on the side of the people, especially with the black and mixed-race majority of the island. If he does not, history will judge him as unkindly as it has Innocent III. When the Castros’ tropical gulag finally fades into the past, Cubans will remember that this pope had a choice between freedom and authoritarianism, just as his predecessor did eight centuries ago, and picked the wrong side. 

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The general noted bluntly that “if these problems aren’t resolved, this diplomatic rapprochement wouldn’t make any sense.” And more significantly, he stated that “it would not be ethical or acceptable to ask Cuba for anything in return... It cannot be expected that Cuba will negotiate on these internal matters which are absolutely sovereign.”

Those who advocated unconditional concessions wouldn’t take no for an answer. Castro was just laying out a starting negotiating position, they said, or shrugged

that since we tried economic sanctions for half a century, we should give the Cuban leaders time to get used to the new dispensation. And, *sotto voce*, it was true that Cuba may indeed be entitled to compensation from US taxpayers whose government's policies have been so harsh, and that Gitmo is an unnecessary and expensive relic of the Cold War.

Yet consider this as well: as we move further along this new path and, say, remove travel restrictions, thousands of small private vessels from Florida will be visiting Cuba on a regular basis—and may return with illegal hidden cargo. And given the longstanding and fraternal links between Cuba and Iran, such new ocean travel could expose the US to new and serious vulnerabilities in terms of border and maritime security.

Moreover, the president's new measures will enrich primarily the Cuban military, which controls most economic activity, and thus will bolster the regime. Any resulting improvement in US-Cuba relations will not diminish Castro's close alliance with Iran, Russia, or Venezuela. It will not prevent Cuban personnel from advising and training Venezuela's security apparatus or from handling the issuance of Venezuelan passports and other identity documents, which is also an opportunity to provide false documents to Iranian and Cuban agents to travel throughout the world posing as Venezuelan citizens.

The president's new policy has legitimized a totalitarian-military regime in the eyes of the world, and particularly in the eyes of Latin America. By opening the door to an oppressive regime that violates human rights with abandon, the president has reversed America's longstanding support for democratic governance in the region. Would-be dictators and their sycophants now know that suppressing civil liberties is not particularly troubling to the United States—and certainly not detrimental to good diplomatic and commercial relations.

Contrary to the argument that the new policy will help improve relations with Latin America, Obama's implicit concessions to, and approval of, a military dictatorship further weaken American influence in the region and elsewhere, encouraging others to take positions inimical to US interests, as Cuba has done for decades.

In the months and years ahead, Cuban negotiators, to secure whatever advantages they may be pursuing, may offer promises of some minor concessions. But before getting into bed with Castro, their US counterparts should know that the general will not respect them in the morning. ●