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The Cuban Embargo: Detrimental to Cuba, the United States, and Democracy

by McClain Napier

A Brief History of U.S.-Cuban Relations

The U.S. and Cuba have a long and complicated history dating back to the colonial age. In fact, the U.S. played a key role in helping Cuba attain independence from Spain in the late-nineteenth century. Both before and after Cuban independence, the two countries enjoyed numerous trading privileges, mainly focusing on Cuba’s abundant sugar production (Porter 2006).

However, this all changed in the mid-twentieth century, during a very tense time of the Cold War. In 1959, a group of leftist revolutionaries—led by Fidel and Raul Castro and Ernesto Guevara—toppled the dictatorial regime of Fulgencio Batista. Upon establishing a socialist government, Fidel Castro seized and expropriated all American-owned industries on the island. In response, President Dwight D. Eisenhower called for the first of many embargos against the island nation (Porter 2006). Seizing the opportunity to win a western hemisphere ally, the Soviet Union filled the trading gap left by American sanctions, promising heavy subsidies to Cuban products (Medland 1990).

Fearing the myriad of potential dangers from a Soviet-allied Cuba, President John F. Kennedy authorized the coup d’etat of the new, Castro government through the ill-fated Bay of Pigs fiasco. The failed coup accompanied the 1961 comprehensive embargo against Cuba called the Foreign Assistance Act (Teegan 2002). These events were followed by the Cuban Missile Crisis, which ended with the U.S. promising to never invade Cuba (Medland 1990).

Modern developments have seen both relaxing and tightening of the sanctions against Cuba. President Jimmy Carter allowed U.S. travel restrictions to expire; however, those restrictions were reinstated under the Reagan administration. Other steps toward normalization taken by the Ford and Reagan administrations were also undone by the 1992 Cuban Democracy Act and the 1996 Helms-Burton Act (Teegan 2002).
In 2000, President Bill Clinton authorized the Trade Sanctions Reform and the Export Enhancement Act, which allowed the sale of agricultural and medical goods for the purpose of humanitarian aid (Teegan 2002). Finally, in 2003, President George W. Bush spearheaded the creation of the Commission for Assistance to a Free Cuba (CAFC). This commission called for the allocation of $80 million annually to endeavors that would foster a democratic movement at the grassroots level through an increase in information technology (Hanson 2008).

**Current U.S. Policy on Cuba**

In short, the embargo on Cuba has essentially remained the same for nearly half a decade. However, instead of existing for the purpose of containing communism, as was the case during the Cold War, the embargo against Cuba exists today for the purpose of promoting democracy in the remnant communist regime (Bush 2007).

In a speech given in October 2007, then-President Bush summarized the principal caveat that has kept America’s sanctions against Cuba alive: “As long as the regime maintains its monopoly over the political and economic life of the Cuban people, the U.S. will keep the embargo in place.” In response to critics of the embargo, Bush argued that Cuba’s terrible economic condition is not a product of the long-lived American embargo but of the corrupt communist regime that has controlled everyday life on the island for the past fifty years. He applauded members of Congress who sought to provide “additional funding to support Cuban democracy efforts” (Bush 2007).

Therefore, current U.S. policy on Cuba is two-fold. First, the U.S. aims to preserve the embargo until Cuba makes the first transitional move to a democratic government. Second, the U.S. continues to provide funding to pro-democratic efforts in Cuba.

Why the Current Policy is Ineffective and Detrimental

The primary reason the current policy against Cuba is ineffective is because it misses its intended target—Cuba’s party leaders; instead, it punishes citizens with impoverishment (CATO 2008). Pope John Paul II vocalized the dilemma of these sanctions in 1998 when he visited Cuba, declaring that sanctions, like the ones against Cuba, are “always deplorable, because they hurt the most needy” (Griswold 2000).

Statistics show that a significant majority of Cuba’s population live in poverty. The CIA World Factbook reported that the average GDP per capita in Cuba is $4,500 (CIA 2008). Other sources have shown that the average monthly income of a Cuban citizen is a mere ten dollars, while pensioners receive a meager four dollars per month (Roberts 2008). As mentioned in Bush’s 2007 speech, there are many who would argue that Cuba’s poverty is a result of corrupt leadership and not solely of the embargo (Bush 2007). However, there are many studies that draw a clear correlation between Cuba’s mass poverty and the longstanding embargo. For instance, a study performed by professors at George Washington University showed that active sanctions have disrupted from 17 to 27 percent of Cuba’s possible imports due to the significant symbiotic relationship between the U.S. and Cuba (Teegan 2002).
Furthermore, medical studies have shown the negative personal effects of the embargo on citizens. In 1997, doctors from Columbia University found that because the embargo raised the prices of food and medical supplies, it was nearly impossible for the poorer classes—a substantial portion of Cuban society—to gain access to these essential commodities. The study examined the effects of economic decline, due to the fall of the USSR and the tightened embargo from 1992. The authors analyzed data from various sources, such as nutrition factors, disease increase, and hospital diagnoses. They reported that the economic changes of 1992 generally resulted in a much lower nutritional level among citizens, more widespread infectious diseases, and a higher rate of violent deaths (Garfield 1997).

In a similar medical study performed a year earlier, Anthony Kirkpatrick studied the effects of the American embargo on citizens’ ability to obtain food and medicine. He found that even though the 1992 Cuban Democracy Act exempted the sale of food and medicine to Cuba from sanction, the reemphasized strictness of the 1996 Helms-Burton Act once again removed these items from the reach of the general populous. This, he showed, resulted in a manifestation of neurological diseases greater than any Cuba has seen the past century (Kirkpatrick 1996).

Second, the act is detrimental because it weakens the U.S.’ standing abroad. For instance, one of the more controversial provisions of the Helms-Burton Act gave certain American businesses the right to sue foreign companies that trade with Cuban companies. The act argues that these American businesses are justified since a good portion of Cuban industry utilizes property that was expropriated during the Communist Revolution. Many nations and international organizations like Canada, the EU, and the OAS argue that this provision violates international trading law and condemn it simply as an attempt to influence governments to a foreign cause (The Cuban Experience 1999).

Despite threats from this provision, many world powers like Canada, the UK, Russia, China, and much of Latin America, still maintain trade with Cuba. This effectively removes the teeth from the embargo needed to really suffocate Cuban industry. The results are that Cuba makes just enough in international dealings to support its regime but still suffers due to the American embargo. Therefore, the people continue to suffer while the regime thrives (Griswold 2000).

Indeed, the U.S. is one of the only nations that observes the embargo. In 2006, the UN General Assembly overwhelmingly voted to end the embargo for the fifteenth year in a row calling it a “breach of freedom of trade and navigation.” Of the 188 countries participating in the assembly, 183 voted to end the embargo. Only four countries (Israel, the Marshall Islands, Palau, and the U.S.) voted for the continuation of the embargo and one (the Federated States of Micronesia) abstained from voting (U.S. Fed News 2006).

Third, the embargo negatively affects U.S. interests. For instance, Daniel Griswold with CATO Institute found that the economic sanctions against Cuba “have cost American exporters fifteen billion to nineteen billion in lost annual sales overseas.” He also stated that the embargo had “caused long-term damage to U.S. companies” from “lost market share and reputations abroad as unreliable suppliers” (Griswold
This should come as no surprise since so many countries reject the Cuban embargo and oppose its continuation.

More important than the economic consequences of the Cuban embargo are the political ramifications that prove detrimental to American interests. As the U.S. continues its unilateral embargo, and as numerous other world powers skirt American threats, Cuban leadership more easily portrays the U.S. as a corrupt “bad guy,” trying to use its power to force the rest of the world to do its bidding. In this way, Cuban leaders not only find a common enemy to use as a factor to rally domestic support from its own citizens, but they win the sympathy of the international community. Cuba becomes stronger as sympathetic countries add their economic aid to the “Cuban victim.” Also, as Cuba is more widely seen as a victim surviving the American bully, countries like Venezuela and Iran become more emboldened in their own endeavors and jointly throw their support behind the island nation (Brookings Institution 2008).

Finally, the most telling indicator of the ineffectiveness of America’s policy against Cuba is probably the most obvious. Despite nearly a half decade of continually staunch sanctions, the policy has not met its objective of unseating the communist regime. Whether or not the sanctions succeeded in preventing a further spread of communism in the Latin America-Caribbean area is a different subject for debate. However, the modern objective to effect democratic change in Cuba has gone unfulfilled. Considering Cuba rebounded, to some extent, and survived the dissolution of the Soviet Union, a future democratic transition as a result of the current embargo seems highly unlikely.

Policy Suggestions

In order to remedy the obvious problems of the current policy against Cuba and to better promote democracy in Cuba, I offer three simple changes the U.S. government must adopt.

Remove Communication Barriers and Restore Diplomatic Relations

Carlos Pascual, of the Brookings Institution, summarized the dilemma of restricting communication with another country. Pascual referred to the U.S. interaction with numerous communist bloc countries during the Cold War and the success of their interactions:

What we’ve come to understand is that some of the most dramatic changes that have occurred in the international community have been linked with engagements. In the Eastern bloc it was in part that engagement with Poland and Hungary and the Czech Republic, the then Czechoslovakia, that was so critical to the fall of the Iron Curtain in 1989 in keeping alive the aspirations of people there who believed in change (Pascual 2008).

Vicki Huddleston, also with Brookings, applied this history lesson to the current situation with Cuba:

If we remove the barriers to communication, we will speed the forces of change. Just as was the case in Eastern Europe as a result of the Helsinki agreement, the
Cuban people will be empowered by human contact, the free flow of information, and the support and encouragement of Americans and Cuban-Americans from Florida to California. Removing the barriers to communications and to normal diplomatic relations are not concessions as some would claim. Rather, they are practical initiatives that will reduce the dependence of the Cuban people on the Cuban state by providing them with alternative sources of information and resources to improve their daily lives (Huddleston 2008).

History clearly shows that communication is the key in creating any kind of substantial change, whether it be in relations between countries, or in a regime itself. If one wants to foster democracy, it must be grown from the bottom up and not forced to grow by sanctions. This can take place more easily as a country’s populous sees for themselves how their lives could be better through a different government. One of the biggest flaws of the Bay of Pigs invasion was that Kennedy falsely believed that the exiles would be welcomed and that the coup would be popular among the people (Lynch 2007). However, most Cubans had not known democracy. Most had only known the American-backed dictatorship of Batista that had squandered the country’s resources through corruption (Argote-Freyre 2006). If Cubans had realized the benefits of democracy and the downfalls of communism, the Bay of Pigs invasion might have been a success.

The same stands today. Until the Cuban people know the benefits of democracy, they will not be ready or willing to replace their authoritarian regime. Therefore, I suggest the U.S. establish greater engagement with Cuba by reopening the American embassy in Havana and by reopening the Cuban embassy in Washington, D.C. Furthermore, there must be regular engagements between the ambassadors and leaders of the two countries. This will effectively normalize relations between Cuba and the U.S. and make it possible to implement the next two steps in Cuba’s democratic transition.

Eliminate Travel Restrictions

The second step goes hand in hand with the principle established in the first. Greater interaction prepares the soil for democracy to grow. However, this step moves communication and engagement from the realm of diplomats to the realm of citizens. As citizens of both countries are allowed to move freely between the nations, there will be further sharing of ideas and culture. Cubans who come to the U.S. will see the high standard of living afforded by a democratic government. As the U.S. and its organizations travel en masse to Cuba, they will transport with them humanity and inspiration—humanity because Cubans will see Americans in person and see that they are not enemies but potential friends and inspiration because Americans will convey by simple communication and interaction the very essence of democracy, freedom.

The Cuban-American National Foundation (CANF) is an organization dedicated to serving the interests of Cuban exiles and to helping impoverished family members in Cuba. Traditionally, the organization has objected to removing the U.S. embargo against Cuba. However, this organization sees the obvious benefit of free travel be-
tween nations. In a 2007 policy recommendation to the White House, they promoted the idea of allowing Cuban-Americans free access to the island:

Visits to Cuba are essential to moving events on-island. Cuban-American family members can act as ambassadors of change, taking much needed assistance, but more importantly, helping to transmit that message of hope and support, as well as dispel the regime’s propaganda intended to further divide the Cuban family and create fear of change. It is evident by the regime’s actions to restrict access to Cuba, particularly by international media outlets, that it seeks to carefully select what the world is privy to. This is precisely why, a liberalization of Cuban-American travel is also crucial to learning more about the internal situation and helping to further destabilize the regime’s hold on power (CANF 2007).

Even though CANF recommends granting free travel access only to Cuban-Americans, one can still see from their ideas the role that Americans in general would play in promoting a democratic change in Cuba.

**Reinstall Trade with Cuba**

Finally, after relations between the U.S. and Cuba have been normalized, and after a free flow of citizens exists between the two countries, Cuba will be ready for the finishing touch that will dissolve the regime’s grip over the people, trade.

In *The Lexus and the Olive Tree*, Thomas L. Friedman discussed the idea of “the golden straightjacket and the electronic herd,” which illustrated certain principles of interdependence in the modern business world. To paraphrase Friedman, he explained that a country puts on the golden straightjacket when they adopt the principles of trade and capitalism, which means that they become bound to these principles and are richly rewarded for doing so. The electronic herd represented the gaggle of investors around the world. If a country chose to go against the principles of trade and capitalism that typically correlate to a healthy market—if the country chose to break free of the golden straightjacket—the electronic herd will avoid the country. This may happen because investors fear the country’s recklessness in not obeying the rules will result in poor returns on their investments (Friedman 1999).

How do these ideas apply to American trade with Cuba? It is very simple. As of yet, under the communist regime, Cuba has not engaged in full trade with the U.S., as noted previously, this disrupts a projected 17 to 27 percent of potential Cuban imports (Teegan 2002). This number becomes more substantial as the U.S. becomes a more significant trading partner to Cuba. Cuba will slowly but surely realize the importance of binding themselves to the golden straightjacket. They will taste the sweetness of prosperity from increased trading with the U.S., and they will realize that this prosperity is linked to following the rules and not scaring away the electronic herd. They will perceive their interdependence on American trading. Therefore, little by little they will bind themselves in the golden straightjacket by adopting the strict observance of the policies that attract investors, such as an un-centralized economy and a free market. Once they are bound in the golden straight jacket, they will be more susceptible to U.S. influence that would compel them to switch to a democratic government.
More so, even if the communist regime in Cuba is unwilling to release their authoritarian grip over the country, the people will demand it. After so much cultural inflow from the U.S., the Cuban people will finally be convinced of the benefits of the freedoms afforded by democracy. Therefore, in order to avoid a bloody revolution (which could scare away investors), the Cuban government will make gradual concessions to the populous to not appear weak and will slowly transition to a democracy.

There are a few steps that must be followed for the plan to be implemented successfully. Most importantly, the trade must be re-instated gradually. In the previously mentioned study from George Washington University, the authors predicted that Cuban industries' capacity to produce has become atrophied over the years of economic depreciation. As a result, any increase in production of essential goods to meet U.S. demands would detract from the consumption needs of the Cuban populous (Teegan 2002). Therefore, in order to avoid any possible increase in citizen starvation, the U.S. would have to engage in trade with Cuba sector by sector. For instance, instead of permitting all American industry to do business with Cuba, the U.S. might allow only electro-domestic industries to trade. Each year, the U.S. would allow another sector to trade. All the while, the U.S. government would need to continue its current annual CAFC amount of $80 million to Cuba for the continued purpose of improving Cuban industries and structure.

Some people believe there may be negative implications for U.S. agriculture by reinstating trade with Cuba. However, this is not the case. The authors of the study from George Washington University predicted that U.S. agriculture would actually benefit from trade with Cuba. They found that exports with Cuba alone would earn an estimated 400 million to one billion for the agricultural sector and would create around six thousand jobs as a result (Teegan 2002).

Conclusions

The principal objective of the current embargo on Cuba is to foster a democratic government on the island nation. However, the current policy is clearly not achieving its objective. The embargo is ineffective and detrimental to the U.S. because it hurts the Cuban people—not the leadership. The policy harms U.S. world standing, gives the Cuban government a common enemy for which it can rally domestic support from other countries, and the test of time has proven that the policy is unsuccessful in removing the Cuban regime.

Clearly, the answer lies in change. By reopening diplomatic communication with Cuba, we reestablish our historic friendship. By allowing our citizens to travel freely between the countries, we permit the conveyance of American culture and ideals to the Cuban populous, which facilitates the growth of democracy from the ground up. Finally, by reimplementing trade with Cuba at a gradual pace, we slowly bind the Cuban leadership with the golden straightjacket and induce dependence on American trade. This policy would avoid all the pitfalls of the current policy and, more importantly, it will be successful.

In conclusion, I emphasize the need for the U.S. government to enact this policy as soon as possible. The Brookings Institution recently held a conference on policy
ideas toward Cuba. They discussed the fact that Cuba has a vast, untapped source of energy, both within natural oil reserves and ethanol production from sugar crops. Furthermore, the conference members found that once the Cuban government fully taps these energy sources, they will gain additional revenues of around three to five billion annually. All participants at the conference agreed that when Cuba reaches this point of production, they will be substantially less influenced by the U.S. (The Brookings Institution 2008).

Therefore, one hopes that President Barack Obama will make good on his campaign promises to ease restrictions against Cuba, as this will at least proffer some benefits. Ideally, the embargo must be lifted. If the U.S. truly hopes to transition Cuba from authoritarianism to democracy, then the time to make these changes is now.

REFERENCES


