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# Cuba's Brave New World

DANIEL P. ERIKSON AND PAUL J. WANDER

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Cuba, once a lonely communist outcast, is now enjoying a wave of international engagement that was virtually inconceivable even a decade ago. Since Raúl Castro took over as provisional president of Cuba in July 2006, Havana has hosted over seventy heads of state, including high-profile leaders such as Hu Jintao of China, Dmitry Medvedev of Russia, and Luiz Inácio Lula da Silva of Brazil, in addition to influential officials like former United Nations Secretary-General Kofi Annan and European Union Development Commissioner Louis Michel. In the last year, heads of state from more than twenty Latin American and Caribbean countries have visited Cuba, and many, especially Venezuelan President Hugo Chávez, do so frequently. No other Latin American capital—save Port of Spain, Trinidad (which hosted the Summit of the Americas in April)—has recently attracted such a disproportionate number of high-level visitors. Indeed, a casual observer of Cuba's international relations could be forgiven for thinking that global perception and acceptance of the Cuban revolution are at an all time high. This diplomatic sea change is all the more striking given the fact that the Castro regime continues to resolutely resist the kind of democratic opening and economic reforms that much of the world has long encouraged.

While some regions give the island more attention than others, Cuba's foreign policy is truly global. In Asia, China recently became Cuba's second largest trading partner while African leaders continue to praise Cuban solidarity and medical diplomacy. Last June, Latin American diplomats recently came together to revoke Cuba's suspension from the Organization of American States (OAS), with the tacit agreement of the United States and Canada. The European Union has initiated a new dialogue aimed at

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normal relations with Cuba and the island's relations with Canada remain strong. Therefore, while the United States continues to debate whether to initiate a dialogue with Cuba and how to go about it, the island has been gradually breaking out of its isolation and consolidating ties with other major players on the international stage.

This has unfolded during a period when Fidel Castro, Cuba's legendary leader, has been slowly fading from the scene. His younger brother Raúl took power on a provisional basis in July 2006 and then was formally elevated to the presidency in February 2008. During his time at the helm, Raúl Castro has ushered in small but important changes in Cuba's foreign policy while benefiting from the growing desire of international partners to reach out to Cuba at this moment of transition. Even the United States has slightly loosened its sanctions on Cuba, due to moves by the Obama administration to allow U.S. telecommunications companies to do business, and lift restrictions on the ability of Cuban Americans to travel to Cuba or send money to their relatives who still live on the island. Global rapprochement continued following Raúl's decision to shake up much of his foreign policy cabinet in the spring of 2009, which included replacing Foreign Minister, Felipe Pérez Roque and Secretary of the Council of Ministers Carlos Lage Dávila, along with several other key ministers who once played central roles in Fidel's regime.

Beyond the cabinet shake up, Raúl's foreign policy profile differs from his older brother's in several regards. He is neither as outspoken nor as provocative as Fidel and prefers to delegate much of the responsibility for external affairs to the Council of Ministers. During his time in office, Fidel was a world traveler, but Raúl held the nation's top office for two years before making a single foreign visit. His first trip abroad included a visit to Venezuela and Brazil, where he attended a Latin American summit in December 2008. In early 2009, Raúl crossed the Atlantic Ocean to visit Russia, the first state visit by a Cuban leader to Moscow since the Cold War, as well as to Algeria and Angola. While it is true that Raúl Castro has not yet faced a major international test as the president of Cuba, he appears to be adeptly overseeing a process of sustaining and deepening Cuba's international relationships. These changes may be indicative of a shift in Cuba's foreign policy away from revolutionary ideology, once the cornerstone of any diplomatic relationship with Cuba, toward a new diplomatic pragmatism driven by economic cooperation and diversification.

Still, Fidel Castro remains an important reference point in charting Cuba's international affairs. The aging leader retains his most important post, that of first secretary of the Cuban Communist Party, but he also

makes his voice and opinion heard through editorial pieces published in the pages of state-owned newspapers. Since early 2007, Fidel has written commentaries on a wide range of issues, and despite the fact that many of his lengthy reflections focus on subjects of minor international significance, his words are frequently quoted by international media outlets. When Cuba makes international news, Fidel remains Cuba's most oft-quoted spokesman. In April, Fidel's writing served to harness and clarify Raúl's remarks that Cuba would be willing to talk to the United States about any subject, including human rights. "Without a doubt" Raúl's remarks were "misinterpreted," Fidel wrote, fueling suspicions that the revolutionary leader was trying to rein in his chosen successor.

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#### BARACK OBAMA AND RAÚL CASTRO

The United States' policy toward Cuba has evolved over time, but one feature has remained constant for more than forty years: the economic embargo imposed on Cuba by President John F. Kennedy in 1962. Even when the collapse of the Soviet Union in 1991 brought about the end of the Cold War, strong domestic support for the embargo among the Cuban-American community in South Florida led the United States to tighten the sanctions further. Given that his victory in 2000 hinged on the 25 electoral votes of Florida, President George W. Bush was especially responsive to the sensibilities of anti-Castro exiles when shaping U.S.-Cuba policy. During his eight-year term, the government sought to isolate the island by cutting back on legal travel to Cuba and limiting diplomatic contact. The main product of the Bush administration's Cuba policy, however, was the Commission for Assistance to a Free Cuba, which issued lengthy reports in 2004 and 2006 on the U.S. strategy for hastening a transition to democracy in Cuba. Twice these reports were used as fodder by the Cuban regime, which was eager to cast the U.S. desire to democratize Cuba as an "imperialist threat." Still, a congressional rule dating to the end of the Clinton presidency allowed all-cash, one-way agricultural sales from the United States to Cuba and transformed the United States into Cuba's fifth largest trading partner by 2008.<sup>1</sup>

While the Obama administration has distanced itself from the specifics of the Bush-era policy toward Cuba, it appears to have accepted

the central premise that the goal of U.S. policy is the democratization of Cuba and the embargo represents a form of leverage to achieve that result. According to the White House, the goal of U.S. policy remains “a Cuba that respects basic human, political, and economic rights of all its citizens.”<sup>22</sup> While the tactics of the Bush administration were particularly irksome to the Cuban government, the vast majority of the policy thus far remains unchanged under President Obama. The Cuban regime has not completely rejected President Obama’s tactful diplomacy, but it is unlikely to respond

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by embracing democratic reforms. Both sides have refused to budge on the ideological issues that divide them.

Though the United States and Cuba remain at loggerheads today, several factors have given rise to the idea of a pending détente. New leadership in both countries, changing attitudes in the Cuban-American community, and increasing international pressure on the United States to adopt a more constructive policy toward Cuba, have all paved the way for a series of small changes in U.S.-Cuba relations. This was evident in the spring of 2009, right before the fifth Summit of the Americas in Trinidad and Tobago. Initially, it was the U.S. Congress—not the Obama administration—that set the pace of change. In February, United States Senator Richard Lugar (R-IN) issued a report calling for a new direction in U.S.-Cuba policy. Soon after, Representative Jose Serrano (D-NY) added amendments to the 2009 budget bill in Congress to bar the U.S. Treasury Department from funding the enforcement of Bush-era limits on Cuban-American family travel and remittances to the island. The administration stayed out of the early back-and-forth on these policy changes, perhaps otherwise occupied or hoping to use an announcement on Cuba policy changes as a springboard to a successful Summit of the Americas in late April. Regardless, just before the summit in April, President Obama moved to fulfill a key campaign promise by acting to lift all travel and remittance restrictions on Cuban-Americans with families in Cuba, and authorized U.S. companies to offer telecommunications services to Cuba. In June, the Obama administration went along with an OAS resolution that repealed the Castro government’s suspension from the hemispheric body, while insisting that respect for democracy remained a pre-condition for Cuba’s future participation.

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However, President Obama may have little incentive left to make further advances to Cuba. With wars in Iraq and Afghanistan and a

prolonged financial crisis, President Obama has already turned his attention from Cuba and Latin America. Indeed, it is remarkable that two of President Obama's early foreign policy moves were relevant to Cuba: the decision to close the detention facility at the Guantánamo Bay Naval Base and the reduction in restrictions on Cuban-American family travel and remittances. These actions sent strong signals to American voters and the worldwide audience that the Obama administration will move quickly to address the perceived deficiencies U.S. foreign policy toward Latin America during the Bush years. They were also politically and economically cost effective, relative to other options, such as revamping the "war on drugs" or forging ahead with new trade deals during a time of rising protectionist sentiments. Indeed, President Obama's small changes in Cuba policy helped to defuse growing tensions between the U.S. and Latin America over the Cuban embargo, even though they stopped short of a more far-reaching overhaul of U.S.-Cuban relations.

#### LATIN AMERICA'S FRIENDLY EMBRACE

During the final years of his rule, Fidel Castro developed a tempestuous relationship with Cuba's neighbors in Latin America. On the one hand, he sealed an important alliance with Hugo Chávez in Venezuela and was hailed as a hero in countries such as Argentina, Bolivia, Ecuador, and Nicaragua. On the other, he quarreled openly with presidents of Costa Rica, Mexico, Peru, and Uruguay, and clashed with many Latin American countries on basic questions of democracy and human rights. By contrast, Raúl Castro has ushered in a period of renewed warmth in Cuba's relations in the Americas, whereby Havana has mended ties with previously estranged countries, while maintaining strong alliances with left-leaning partners. Perhaps more importantly, Latin America has responded with almost equal vigor across the ideological spectrum. With the addition of El-Salvador and Costa Rica this spring, countries that had remained at loggerheads with Cuba for decades, Cuba now has normal diplomatic relations with all the countries of Latin America and the Caribbean. Still, some friends are closer than others.

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## VENEZUELA AND THE PRO-CUBA LEFT

There is little question that it is Venezuela that has become the apparent heir to the revolutionary causes espoused by Fidel. With Fidel confined to the pages of Granma, Venezuelan President Hugo Chávez has filled the vacuum by assuming the position of the principal bogeyman and agitator of the United States in the western hemisphere. Fidel often speaks

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with Chávez over the phone, and the Venezuelan president is usually the first person to break news about the health of the aging Cuban leader. President of Venezuela since 1999, Chávez has groomed himself in Fidel's image as a provocateur, and by late 2006, his attitude toward the United States coupled

with an oil-generated windfall made it clear that with Chávez as president, Venezuela would remain Cuba's most important ally in Latin America and the world.

Since Fidel stepped down in July 2006, Chávez has visited Havana more than a dozen times, typically meeting with Fidel and Raúl, as well as other top Cuban officials. The two countries have signed cooperation agreements or memoranda of understanding on an array of issues ranging from agricultural cooperation to the telecommunication industry.<sup>3</sup> In December 2007, Chávez officially opened the Cienfuegos oil refinery, the product of a joint venture between PDVSA and CUPET, the state oil companies of Venezuela and Cuba, respectively. By July 2008, the refinery had produced nine million barrels of crude oil.<sup>4</sup> Through Petrocaribe, Chavez's plan to forge Caribbean alliances with oil, Venezuela provides generous terms on oil that give a much-needed boost to a Cuban economy that is still struggling with a population that lives on an average of \$17 dollars a month. Trade with Venezuela far outpaces trade with any other Latin American nation, accounting for over 68 percent of Cuba's trade with Latin America. In 2008, trade with Venezuela jumped by 82 percent to \$5.3 billion, over 25 percent of their total trade with the rest of the world that year.<sup>5</sup> The volume of Cuba's trade with Venezuela is significant, but so is its one-sidedness. Cuba generally receives more goods than it produces, but trade with Venezuela exacerbates an already troubling trade deficit. Over 90 percent of trade flows northward, from Venezuela to Cuba, and Venezuela accounted for about 40 percent of Cuba's total trade deficit of \$11.4 billion in 2008. The exact terms of the Petrocaribe oil agreement are ambiguous, but it is

clear that Cuba is not paying full price for the oil it receives, meaning much of debt that Cuba accrues on an annual basis is paid for with credit and medical services.

In return for subsidized oil, Cuba has sent almost 40,000 doctors, educators, and sports trainers to Venezuela to provide the medical expertise behind Chávez's "Barrio Adentro" program which is intended to bring health services to the poor of Venezuela. Even outside of Venezuela, Cuba's primary export to Latin America and the world is medical services. Cuba not only sends a significant percentage of their medical personnel overseas, but they also train students from all over the world at the Latin American School of Medical Sciences, a converted military base just outside Havana. Through "Misión Milagro" Cuba has opened eye-surgery centers in Venezuela, Bolivia, Guatemala, Honduras, Ecuador, Panama, Nicaragua, Mali, Paraguay, and Haiti, claiming to have restored eyesight to more than 700,000 so far.<sup>6</sup> But Cuba's medical exports are not always well received. Since the "Barrio Adentro" program began filling Venezuelan clinics with Cuban doctors, the Venezuelan medical community has staged several protests, complaining that the Cubans reduce their wages and cause a shortage of equipment. Critics within Cuba have also raised the point that Cuba's medical resources are spread thin by this form of diplomacy and that health care in Cuba has suffered as a result.

Venezuela is Cuba's closest ally, but the election of three left-leaning presidents added significantly to Cuba's tally of friends in Latin America. Evo Morales, the indigenous leader and coca advocate, was elected in Bolivia in December 2005. Rafael Correa, the charismatic leftist economist and former finance minister, was elected president of Ecuador in November 2006 and re-elected under a new constitution in May 2009. Daniel Ortega, Nicaragua's historic Sandinista leader, was elected president of Nicaragua in 2006 and has remained close to Cuban leadership since, receiving coverage in one of Fidel's reflections that called him "persuasive, serene, and irrefutable."<sup>7</sup> (A fourth ally, the Honduran president José Manuel Zelaya who was elected in 2005, forcefully argued for Cuba's reincorporation in the OAS in June, but was ousted in a coup several weeks later and his future remained uncertain.) Now Ecuador, Bolivia, and Nicaragua, united in their state-led economic policies and their disdain for U.S. power, have become strong allies to Cuba. Their leaders meet frequently in Havana,

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Caracas, and other capitals to discuss continuance of what Chávez calls the “Bolivarian Revolution.”

On the world stage, they often speak together. When the 34 heads of state from the western hemisphere (excluding Cuba’s Raúl Castro) met in April 2009 in Trinidad, this contingent laid harsh rebuke on the history of U.S. policy toward Cuba. Ortega said, “I feel ashamed of the fact that I’m participating at this summit with the absence of Cuba.”<sup>8</sup> Furthermore, Ortega, Chávez, and other close allies of Cuba were not alone in their calls for recognition of Cuba in Trinidad, but were instead joined by nations who were previously less vocal in their support for the Cuban government.

### BRAZIL AND LULA’S VISION

Since his election in 2002, Brazilian President Ignacio Lula da Silva has remained extremely popular not only in Brazil, but also throughout Latin America largely due to his success at raising Brazil’s global standing and for the dexterity with which he has balanced his unique brand of populism with economic sustainability. His inauguration was hailed as definitive proof of Latin America’s shift to the left and was attended by the movement’s heroes (Fidel Castro and Hugo Chávez were there) but downplayed by the right (President Bush sent the U.S. Trade Representative, Robert Zoellick). But several years of steady economic growth and careful treading around issues of importance to Washington have positioned Lula squarely in the driver’s seat vis-à-vis Latin America’s relationship with the United States. Indeed, Brazil has been able to maintain steady relationships with both the United States and Cuba by staying away from explosive issues, but Lula’s recent actions suggest that he is interested in acting as an intermediary between Havana and Washington.

Brazil is leading several efforts to promote Cuba’s integration with the hemisphere. In December 2008, Lula organized a special Latin American  
 ..... summit that excluded the U.S. and  
 “Brazil is leading several  
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 hemisphere.”  
 ..... Canada but pointedly included Raúl  
 Castro. Lula visited Havana twice  
 in 2008, and in early 2009, a group  
 of Latin American leaders followed  
 him to Havana in an unprecedented  
 show of regional support. Prior to the  
 Trinidad Summit in 2009, Lula visited  
 Washington and made it no secret that he encouraged President Obama  
 to improve ties with Cuba.<sup>9</sup> Brazil’s opposition to the U.S. embargo is not

new, but the vigor with which Lula has publicly pressed the United States on the Cuba issue suggests a new willingness of Cuba's allies, both old and new, to vouch for it on the world stage.

The economic relationship is booming. Trade between Brazil and Cuba has increased five-fold since President Lula was elected, from just under \$100 million in 2002 to almost \$500 million in 2008, and now Brazil is Cuba's second largest trading partner in Latin America, though still far behind Venezuela.<sup>10</sup> During his January 2008 visit to Havana, President Lula signed several grants for food and infrastructure in Cuba and filmed a video with Fidel Castro. Brazil is also one of Cuba's top prospects for cooperation in oil, and Lula signed an agreement to begin drilling for oil off the coast of Cuba by 2010. The potential for energy partnership increased further when Brazil announced the discovery of the 5 to 8 billion barrel Tupi oil field just off the Brazilian coast in late 2007. Cuba recognized the potential to diversify their oil portfolio away from Venezuela and Brazil seems a willing partner. In May 2008, Brazilian foreign minister Celso Luiz Nunes Amorim said he wanted Brazil to become Cuba's number-one trade partner.<sup>11</sup>

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#### MEXICO, CENTRAL AMERICA, AND THE CARIBBEAN

In Mexico, one of Cuba's oldest allies in Latin America, relations have steadily improved following the departure of Mexican President Vicente Fox. In April 2002, Mexico's relations with Cuba reached a nadir when President Fox attempted to disinvite Castro from a United Nations meeting in Monterrey, reportedly asking him to leave early to avoid interaction with President Bush. A month later, when Mexico joined a Uruguay-sponsored effort to send UN human rights inspectors to the island, Castro broke diplomatic decorum to prove that Mexico explicitly follows the United States on foreign policy issues, airing a tape of his March 19 conversation with President Fox in which the Mexican leader can be heard advising him not to “attack the United States or President Bush.”<sup>12</sup> In October 2002, Cuba suspended payment on a debt of some \$380 million owed to Mexico's Foreign Trade Bank (Bancomext), attributing their inability to pay to the decline in tourism, though the public spat between the two leaders just months earlier probably factored into the equation.<sup>13</sup> The trade

relationship also stagnated during the Fox administration, with two-way trade dipping below \$200 million for the first time since 1994. Relations were no better near the end of Fox's term in 2006 when Mexican authorities allowed the United States to refuse Cubans the right to stay in an American-owned Sheraton in Mexico City for a meeting to discuss Cuba's oil prospects, citing Helms-Burton legislation, which grants extraterritoriality to the U.S. embargo on Cuba.<sup>14</sup>

Following the close victory of Felipe Calderón over the left-leaning Andrés Manuel López Obrador in July 2006, the new Mexican president reached out to the provisional Cuban government in what he said was an effort to improve relations with all of Latin America. The first step was taken by Mexico, when Luis Alfonso de Alba, the Mexican chairman of the newly elected UN Human Rights Council, oversaw the removal of the mandated human rights reporter for Cuba, showing that UN human rights votes would not come between Cuba and Mexico under Calderón. In July 2007, Cuban legislators responded when they met with their Mexican counterparts in Havana, finding common ground long enough to condemn the United States for building a wall on its southern border. Two months later President Calderón sent a senior political ally, Gabriel Jiménez Remus as ambassador

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*"He intended to improve upon the rocky relations that characterized President Fox's term."*  
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to Cuba, a sign that he intended to improve upon the rocky relations that characterized President Fox's term.

A rebound in the economic relationship soon followed. In 2007, trade jumped by almost 25 percent to \$265 billion and in early 2008 Mexico's Foreign Trade Bank (Bancomext)

agreed to open a \$25 million line of credit to spur further trade and investment between the two countries.<sup>15</sup> By December 2007 Mexican Foreign Minister Patricia Espinosa announced that Mexico had restored relations of respect and dialogue with Cuba for the first time since 2002. In March 2008, Espinosa visited Havana where she announced several areas of cooperation for the future, including migration, counter-narcotics efforts, agriculture, tourism, and joint development cooperation. Under the leadership of President Calderon, Cuba joined the Rio Group at the end of 2008, making the organization "more representative, stronger, more inclusive, (and) more plural," according to Espinosa.<sup>16</sup> In May, however, a widely-publicized outbreak of swine flu in Mexico placed a chill on the relationship when Cuba halted air travel to Mexico, prompting strong criticism from Calderón, who later postponed a planned visit to Havana.

In Central America, where close relationships with the United States have historically limited interactions with Cuba, a combination of diplomacy, elections, and declining U.S. influence in the region have resulted in a warming of relations with Raúl Castro's government. Each of the seven countries in Central America now has normal diplomatic relations with Cuba.

Costa Rican President Oscar Arias repeatedly criticized Cuba for their lack of democratic ideals and in August 2006 he was one of the first Latin American officials to comment on the transition in Cuba, calling for full democratization in an article entitled "La Hora de la Democracia en Cuba."<sup>17</sup> Because of their proximity to the United States, Central American countries have historically prioritized maintaining positive relations with Washington over their diplomatic ties to Havana. Today, against the backdrop of declining U.S. influence in the region, Cuba now has good relationships with all Central American nations. Costa Rica and El-Salvador were the last Central American states willing to tow the U.S. line by not recognizing Cuba, but both countries initiated a dialogue with Cuba in early 2009. Taking the lead of newly elected President Mauricio Funes in El-Salvador, Arias reversed his opinion on Cuba and established full diplomatic ties between Costa Rica and Cuba. (In June, Fidel Castro denounced the coup against President José Manuel Zelaya in Honduras as a "suicidal error" and froze ties with the interim administration.)

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A review of Cuba's ties with Latin America over the past two years reveals that Cuba's regional relations have improved significantly under Raúl Castro. There are several forces behind this paradigm shift. Raúl's pragmatic, low-key approach contrasts sharply with Fidel's penchant for picking high-profile fights. Many Latin American countries have become emboldened to conduct their foreign policies with greater independence from Washington, and they have identified the Cuban transition as an opportunity to set their relations with Cuba onto smoother footing. Cuba has also benefited from low-levels of international support for U.S. initiatives, such as the wars in Afghanistan and Iraq. The diminished role of Fidel and emergence of President Obama have given the Cuban government the chance to craft a new foreign policy strategy that is less antagonistic toward the United States. Latin America, with few exceptions, has responded by soft-pedaling issues of human rights and democracy in Cuba.

Historically, Cuba under Fidel had treated Latin America as the launching point for its global diplomacy. Today, Raúl has again placed Latin America at the center of his foreign policy priorities, but is pursuing more modest means and goals such as the stabilization of the Cuban economy and warding off international criticism of Cuba's human rights situation in multilateral bodies such as the United Nations. While Venezuela remains the linchpin of Cuba's hemispheric cooperation, the island is also improving its ties with other regional powers such as Brazil and Mexico.

Raúl Castro's government is seeking to shore up Cuba's relations with the world beyond Latin America. Raúl has embraced the rise of Asia and the Far East, and has approved negotiations to restore ties with the European Union, while at the same time trying to improve its status in the developing world through demonstrations of solidarity and cooperation.

### EMBRACING THE RISE OF CHINA

China has been a primary target of Cuba's effort to diversify its list of friends and trading partners. Increased economic cooperation tops the agenda, but diplomatic visits and cooperation within multilateral institutions have been equally important as Cuba seeks to gain political and economic advantage from the rapid growth and development of China. It appears that Cuba's shift toward Beijing since Raúl Castro took power is primarily driven by China's desire for new markets, although Havana is clearly open to strengthening these ties and may attempt to curry political leverage with its benefactors in the Far East.

The emergence of China as an economic powerhouse has provoked a mixed response on the part of the Cuban regime. Fidel, on his last visit

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*"But the regime's leaders appear to fear that embracing a "China model" of economic reform would undermine the Cuban Revolution."*  
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to China in February 2003, expressed his thoughts on China's development to the head of the Chinese legislature. "I can't really be sure just now what kind of China I am visiting," he said, "because the first time I visited your country appeared one way, and now when I visit it appears another way."<sup>18</sup>

Observers who have witnessed the rapid growth of the Chinese economy on the heels of deregulation and the sale of government enterprises see many similar changes that could be made within the Cuban system, but the regime's leaders appear to fear

that embracing a “China model” of economic reform would undermine the Cuban Revolution. However, Raúl signaled potential openness to this possibility when he said, “the island [...] is very anxious to learn from China its experiences in the subject of development, and will continue to strengthen exchanges and cooperation at all levels with the Asian country.”<sup>19</sup> Irrespective of Cuba’s hypothetical interest in following the Chinese development path, the government in Havana has clearly chosen to embrace China as part of the larger effort to diversify and expand worldwide economic partnerships, overcoming a history of distance and estrangement to convert China into a top trading partner and valuable international ally. Beijing’s expanded relationship with Havana is most clearly demonstrated in the dramatic increase in trade flowing between the two countries, but equally important are high-level diplomatic visits and cooperation on international issues.

Trade between Cuba and China has spiked considerably since 2003, increasing over 500 percent from just under \$400 million in 2003 to over \$2.3 billion in 2008.<sup>20</sup> In that time, China has become Cuba’s second most important trading partner by volume, after Venezuela. Chinese and Cuban ministers meet regularly to discuss trade at the Intergovernmental Commission on Economic and Commercial Relations, which met for the 21st session last November in Beijing and focused on energy issues. Perhaps the most intense area of cooperation with the Chinese has been in transportation. During the economic crisis of the 1990s, Chinese bicycles were imported to help alleviate Cuba’s mobility woes, but after a 2006 bilateral transportation accord was signed, China began supplying Yutong buses to replace Havana’s famously overcrowded “Camelos.” By the end of 2007 Cuban officials reported that Cuba would receive some 1,142 buses and by early 2008 the tractor-trailer driven “Camelos” had all but disappeared from the streets of Havana (although they remained in use in the provinces).<sup>21</sup> China is also supplying Cuba with trains, in addition to televisions, ovens, and a range of other manufactured goods in the non-transportation sector. In return, Cuba meets a high percentage of China’s need for nickel, a crucial input for China’s manufacturing sector. Oil is an area of potential cooperation, and the Chinese state oil company SINOPEC has several agreements with Cuba’s CUPET to explore oil resources in Cuban waters. Despite frequently voiced concerns in Washington that Chinese oil companies have commenced drilling in Cuban waters, officials report that Chinese companies have done nothing more than tests off the coast of Cuba, and are not yet actively engaged in exploration.<sup>22</sup> Cuba also provides medical services to the Chinese and several medical cooperation

agreements have resulted in the construction of an ophthalmic hospital in Qinghai Province, which is staffed by 52 Cuban eye doctors. A team of 35 doctors was also sent to China in 2008 following the May 12 earthquake which killed tens of thousands in the Sichuan Province.

While expanding trade and economic cooperation, Cuba and China have maintained a high-level of diplomacy characterized by frequent visits and international cooperation. The end of the Cold War has seen a flurry

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*“The end of the Cold War  
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of activity between Havana and Beijing which continued unabated with the rise of Raúl in 2006. Ministry officials meet frequently in Havana and Beijing to discuss military, economic, and cultural cooperation. Former Cuban foreign minister Pérez Roque visited China in early 2007 where he oversaw

the opening of a Cuban consulate general office in Guangzhou and met with his Chinese counterpart in Beijing. When Chinese Politburo member Wu Guanzheng met with Fidel in Havana during the same month, the press was treated to a rare photo of the sick leader. In February 2008, China announced the operation of three television channels in Cuba. In June 2008, He Guoqiang, member of the Political Bureau of the Central committee of the Chinese Communist Party and Secretary of the Central Discipline Inspection Commission met with Fidel while on a visit to Cuba.<sup>23</sup> Since 2004, Chinese President Hu Jintao has made two high-profile trips to Latin America and each time he has visited Havana. No other Latin American country made President Hu’s itinerary twice.

#### THE EUROPEAN UNION: TOWARD DÉTENTE

Cuba has long enjoyed a “love-hate” relationship with the European Union, which has attempted to fashion a foreign policy toward Havana that combines strong levels of trade and foreign investment and protests against the repression of political and civil liberties on the island. The European Union is collectively Cuba’s largest economic partner, exceeding even the deep support provided by Venezuela, although Venezuela’s trade with Cuba is greater than that of any single European country. In the earlier part of this decade, Cuba’s relations with Europe appeared to be warming up when the European Commission opened its first delegation in Havana in March 2003, but only weeks later Cuba orchestrated a massive crackdown on Cuban dissidents that placed a chill on the relationship when 75 leading opposition

figures were arrested and sentenced to long prison terms. In response, the European Union introduced a series of diplomatic measures (often referred to as “sanctions” in the press) that called for freezing diplomatic contact with Havana while allowing trade and investment to continue. In 2005, the EU suspended these sanctions but relations remained icy as Cuba demanded that the measures be lifted permanently. A split soon emerged between Spain (under the leadership of Prime Minister Zapatero elected in 2004), which favored normalizing ties with Cuba, and the post-communist countries of Eastern Europe, such as the Czech Republic, Hungary, and Poland, which favored a tougher approach to Havana and professed solidarity with the island’s beleaguered dissidents. During the freezing of relations from 2003 to 2008, the United Kingdom and Sweden also voiced strong support for change in Cuba.

The Spanish government of Zapatero was a strong proponent of normalization with Cuba, and in conjunction with European allies such as Greece, Italy, and Portugal worked through a series of meetings and diplomatic channels to see the diplomatic sanctions fully lifted in June 2008. In particular, the new governments in Italy and Spain proved more disposed to improving European ties with Cuba, brushing aside pleas from the Bush administration to maintain the diplomatic pressure on the island. The process toward normalization took a major step when Pérez Roque visited Europe in March of 2007, where he met with Portuguese Foreign Minister Luis Amado and his Spanish counterpart Miguel Angel Moratinos. These meetings were reportedly positive, and this momentum led the vice president of the European Parliament Miguel Angel Martinez to visit Cuba in June. During the June 2007 vote on the EU sanctions on Cuba, foreign ministers voted to maintain the status quo, but offered to have dialogue with Cuba on the issue. A significant turning point occurred when the EU’s top development aid official, Louis Michel, spent four days in Cuba in early 2008, saying at .....  
 the end of the trip, “In my opinion, .....  
 the time and moment is right to have .....  
 a dialogue with Cuba.”<sup>24</sup> The break- .....  
 through came on June 9, 2008, when .....  
 the members of the European Union .....  
 unanimously called for the sanctions .....  
 to be removed, and this decision was .....  
 recently reaffirmed. Despite ongoing concerns about Cuba’s human rights .....  
 situation, EU officials praised their diplomatic initiative with Cuba as “a .....  
 real dialogue, not just two monologues.”<sup>25</sup> While significant in the fact

*“This change in status  
 will likely have little effect  
 on the tangible aspects of  
 diplomacy . . .”*

that Cuba and Europe can now classify their relationship as “normal,” this change in status will likely have little effect on the tangible aspects of diplomacy and will not affect the economic relationship.

In recent years, Russia has re-emerged as a formidable ally of Cuba, formalized by the visit of President Dmitry Medvedev, which was the first visit of a Russian head of state to Cuba since 2001. Cold War tensions were raised anew toward the end of 2008 when Russian naval exercises in the Caribbean attracted significant media attention. In July 2008 Russia was reported to be considering using Cuban military bases to refuel nuclear bombers in retaliation for the Bush administration’s use of Poland to house a missile defense shield. Comparisons to the Cuban Missile Crisis were quickly picked up by the international press, despite the fact that Russian

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*“Russia and Cuba appear to be drawing closer today than at any point since the end of the Cold War.”*  
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authorities have said, “Russia is not creating military bases at the borders of other states.”<sup>26</sup> Fidel Castro wrote a cryptic note that neither confirmed nor denied the reports, saying only that “Raúl did very well keeping a dignified silence” on the issue and that Cuba was not obligated to collaborate with

Russia.<sup>27</sup> Cuba is reported to be deeply in debt to Russia (to the tune of \$20 billion owed to the old Soviet Union), but Russia continues to trade and grant credit to the Cuban government. Last November, the port of Havana was even visited by several Russian naval vessels upon the conclusion of military exercises they were conducting with Venezuela. Indeed, Russia and Cuba appear to be drawing closer today than at any point since the end of the Cold War.

#### RAÚL’S FOREIGN POLICY: STAYING THE COURSE

Raúl Castro is an unlikely leader to oversee the revitalization of Cuba’s foreign relations. He is not known for having a global vision, lacks the charisma and grand sense of strategy that personified his older brother, and has seldom left Cuba since rising to occupy the presidency. Indeed, much of Cuba’s foreign policy appears to be operating on an old formula that has been in place for years, such as the island’s use of multilateral organizations to improve its position on the world stage. At the United Nations, for example, Cuba is no longer condemned for its human rights record now that the Human Rights Council has replaced the Commission on Human Rights. In May 2006, Cuba was elected to serve on the Council along with

China, Russia, and other nations often criticized on human rights issues. Since then, Cuba has been more open to UN inspections on human rights and in November 2007, the Cuban government invited Jean Ziegler, the UN special reporter on the right to food, to visit Cuba—setting the stage for Cuba to sign two major international human rights treaties. In February 2008, Cuba signed the Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights, but will wait for the parliament to ratify them. The international perception of Cuba's human rights record has improved due to Cuba's strong campaigning and the declining role of the United States at the United Nations. The U.S. embargo is the other issue that Cuba has brought to the international stage.

.....  
*“185 nations voted  
 to condemn the embargo  
 with only Israel, Palau, and  
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 against it.”*  
 .....

Each October, Cuba presents a resolution to condemn the embargo, and recently it has passed easily. In October 2008, 185 nations voted to condemn the embargo with only Israel, Palau, and the United States voting against it.

The same can be said for Cuba's outreach to developing countries such as the members of the Non-Aligned Movement or the poverty-stricken countries of sub-Saharan Africa. Just after Fidel turned over the presidency to Raúl in 2006, Cuba hosted the 14th summit of the Non-Aligned Movement (NAM) in Havana. Over 60 heads of state attended and many met with Raúl and other ministers as Cuba was named chair of the NAM. Despite the absence of Fidel, Cuba seems to continue to garner significant respect from the non-aligned group mostly for its stance against the United States. United by disdain for U.S. foreign policy in general, Cuba has long held favorable relationships with Iran, Syria, Palestine, Yemen, and Egypt. With the election of Mahmoud Ahmadinejad as president of Iran in 2005, (and Ahmadinejad's apparent success in retaining power after Iran's disputed elections of 2009), Cuba has added an outspoken opponent of the United States to their list of allies in the Middle East. In return for years of cooperation with Iran on biotechnology and telecommunications fronts, Iran began to steadily expand the credit lines from Iranian banks to the Cuban government and reportedly considered offering a line worth \$700 million in U.S. dollars in 2008.<sup>28</sup> In addition, Cuba has used the leadership of NAM to add heft to its argument defending Iran's right to develop nuclear power.

Still, Raúl Castro's Cuba faces the challenge of confronting a brave new world characterized by a shifting global balance of power at a time when the United States has elected Barack Obama, a popular new president with wide international support. It is apparent that Raúl's foreign policy has led to substantial improvements with a number of countries in Latin

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*"Cuba's foreign relations seem more secure today than was the case under Fidel Castro."*  
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America and Europe, as well as deepening ties with East Asia. Politically, Cuba's foreign relations seem more secure today than was the case under Fidel Castro. But on the economic front, true success is still a long way off.

The Cuban government is aware that it should not depend on any one country or one region for support, but it still finds it hard to resist the temptation. Despite Cuba's attempts to diversify its economic relationships around the world, Raúl Castro's administration has been pummeled by a deepening economic crisis that cuts into the island's future growth prospects. Foreign direct investment (FDI) in Cuba has increased, as have venture revenues and profits for these companies, but the number of joint ventures and cooperative production agreements has decreased. Raúl has repeatedly called for more FDI from a broader array of sources, but so far most agreements have been with Venezuela or contracts for oil exploration.<sup>29</sup> While trade has expanded dramatically under his leadership, most of that expansion has been due to China and Venezuela. In 2005, China and Venezuela accounted for 31 percent of trade with Cuba, and by 2008 that number increased to nearly 40 percent, making Cuba's economy less diverse and more dependent on those two countries for continued economic growth.<sup>30</sup>

Nonetheless, improved diplomatic ties may have economic payoffs. Trade with Mexico has increased since normalization of relations under President Calderon, Brazil expressed the desire to become Cuba's top trading partner, and if oil is discovered off the coast, Cuba has a number of allies it can call upon for investment capital and expertise. Trade with the United States is poised to grow through the loopholes for agricultural products that have been carved into the otherwise comprehensive embargo. Cuba will continue to hedge its resources from Venezuela with increased engagement with China. While Raúl will never be able to rival Fidel's international stature, his foreign policy is benefiting from the range of newly empowered actors in Latin America, Asia, and elsewhere that seek to lessen the island's international isolation at the same moment that his government is attempting to build a broader base of political and economic ties with the world. ■

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