

The Maravi Post

The Effects of the US's Cuban Embargo

By Austin Tymins

March 29, 2014

President John F. Kennedy issued the Cuban embargo on February 7, 1962 after years of tense diplomatic relations and Castro's increasingly close relationship with the Soviet Union. White House lore has it that just before authorizing the embargo Kennedy purchased 1,200 hand-rolled Cuban cigars for himself. The Cuban embargo is seen by some as a relic of the Cold War, but also as the result of an overly aggressive adherence to the Monroe Doctrine. Supporters of the embargo argue, however, that Cuba remains a threat to the United States and democratic interests globally.

The United States has maintained the policy of economic embargo and diplomatic isolation for over 50 years with relatively little effect on the situation. While the Castro government, under Fidel and Raúl, is certainly undemocratic and of questionable legitimacy, it is indubitably well entrenched in the current situation. A continuation of U.S. policy to maintain the status quo is harmful to both nations, and strengthens tyranny instead of undermining it.

Inconsistency of the Embargo

Does the Republic of Cuba pose a threat to U.S. national security and American interests around the world? As Rep. Bobby Rush (D-Ill.) explained to the HPR, Cuba's geopolitical threat is overstated, "With the end of the cold war and the collapse of the Soviet Union, Cuba is no longer a threat to the United States or the Western Hemisphere." Cuba isn't nearly as serious a geopolitical threat as North Korea though both are subject to a similarly encompassing embargo.

In contrast, Iran is a much more serious threat U.S. national security, yet it receives nominal economic sanctions leaving most trade unaffected. In Latin America alone, Venezuela is more of a threat to U.S. interests than Cuba. Venezuela continues to challenge the United States in international relations through OPEC and most recently in the Edward Snowden asylum negotiations. Venezuela currently, however, is not subject to any U.S. economic sanctions.

The second stated reason for continuing the Cuban embargo is the human rights violations occurring on the island. However, Freedom House's annual rankings on Civil Liberties and Political Rights place Cuba ahead of North Korea, Turkmenistan, Uzbekistan, Eritria, Equatorial Guinea, Somalia, and Sudan. From this list, only North Korea and Sudan are subject to any U.S. economic sanctions, with the other countries enjoying normalized trade and diplomatic relationships with the United States.

In addition, China has a human rights record strikingly similar to Cuba. The United States has normalized trade relations with China however on the argument that economic and social exposure will hasten much-needed reform. The U.S. government seems to hold a double standard by arguing that economic détente will cajole better behavior from the Chinese communist government but not from the Cuban government.

Future of the Embargo Under the New Regime

Raúl Castro seems like a willing partner and is beginning to slowly move away from the Communist totalitarian model associated with his brother, Fidel. Rep. Rush (D-Ill.) described the differences between Fidel and Raúl to the HPR, “Raúl made several changes upon assuming the role leadership in Cuba. He suggested term limits, eliminated ration books and called for a rejuvenation of younger leadership to take the reins of leadership. His goals were to move Cuba to a more functional economic system that continued the expansion of private enterprise. His methods were progressive and simply different than his brothers’.” In addition, in 2008 Castro began allowing individuals to own land individually for agriculture, and four years later lifted the 50-year-old travel restrictions for Cuban citizens.

Castro seems to be liberalizing aspects of the economy while maintaining authoritarian control of the state in an effort to retain political power. In an interview with the HPR, Sebastián Arcos of the Cuban Research Institute expanded on this point, “People in Cuba are beginning to call Raúl’s model ‘Putinism’. I’ve gotten reports from inside Cuba saying that members of the Party and military are receiving seminars on ‘Putinism’.” Consequently, Castro may be able to successfully transition Cuba to a state capitalist model in the very near future without significantly diminishing his grip on power.

Who is Affected by the Embargo?

If one believes that economic embargo can still have an effect, extending such logic would imply that every effort should be made to make the embargo a complete one. The \$3,000 annual remittance payments that are currently allowed from U.S. citizens to family members in Cuba should be greatly reduced or even eliminated. The 2000 agriculture bill that has produced \$3.5 billion in trade with Cuba and has solidified the United States as Cuba’s largest food supplier must also be eliminated. However, both of these actions would be morally tenuous to say the least. The most vulnerable Cuban citizens would be the ones affected by these actions without undermining the regime in a substantive way.

To continue this point, the embargo does not affect the entrenched Cuban government but rather harms Cuban citizens. Is Fidel Castro’s quality of life substantially impacted because of the embargo? Entrenched bureaucrats maintain a normal standard of living while the Cuban people suffer. Increasingly, the Cuban embargo seems like an outdated way to punish Fidel Castro when in actuality, the Cuban people are being punished. Economic policy towards a country of 11 million people needs to be based on more than a personal vendetta against the Castro family.

Political Effects in Cuba of Lifting the Embargo

Some argue that opening up trade with Cuba will only strengthen the government because all industry is state-controlled. Historical economics shows that this is not necessarily the case. As Ian Vasquez, Director of the CATO Institute's Center for Global Liberty and Prosperity explained in an interview with the HPR, "Opening up trade has the opportunity of also corrupting the system and creating opportunities for economic exchange." While this trade may occur in the black market for the short term, in the long run, competition will become commonplace and accepted.

On a related note, the Cuban government may not actually have a vested interest in ending the embargo like it claims, as doing so could affect the government's stranglehold on power. As Vasquez pointed out, "Every time the United States has talked about liberalizing some aspects of the embargo, Cuba does something provocative to make that political move by the United States impossible. It looks like Cuba in fact has not been interested in ending the embargo." In 1977, President Carter tried to begin diplomatic relations with Cuba and Castro responded with the Mariel Boatlift that sent 125,000 Cubans to American soil, many of whom were criminals and the mentally ill. In 2009, President Obama relaxed U.S. travel policy to the island and the Cuban government responded by arresting foreign aid worker Alan Gross and sentencing him to 15 years in a Cuban prison for supposedly aiding dissidents in distributing communications technology.

When the Cuban government acts in these ways, it becomes impossible for the United States to relax the embargo policy. In this way, Fidel Castro has successfully used the American embargo as a political tool to maintain political control over his country. The embargo is blamed for economic woes when in reality the communist model is likely responsible. Removing the embargo would show clearly to Cubans that poor economic performance is due primarily to mismanaged central planning. Instead, U.S. policy is used as a scapegoat to cover up the poor economic situation.

Economic Effects of Lifting the Embargo

The Cuban economy wouldn't be the only one to benefit from opening up trade. The American losses from the embargo add up to as much as \$1.2 billion annually. Many businesses favor an end to the embargo; in fact, the U.S. Chamber of Commerce is one the strongest opponents of the embargo. Studies on the subject believe that ending the embargo could create 6,000 American jobs, predominantly in agriculture and telecommunications.

Additionally, trade with Cuba could be lucrative to the United States for developmental reasons. Cuba has the 3rd largest nickel reserves in the world that could be used in various technology products. The country is also estimated to have expansive oil deposits in its territorial waters that are just beginning to be explored.

Current U.S. policy towards Cuba is inconsistent and ineffective. The U.S. government has no clear policy to determine varying levels of trade sanctions. As Albert Einstein once famously said, "Insanity is doing the same thing over and over again and expecting different results." Fifty years of embargo and diplomatic isolation haven't provided enough of a catalyst for political

change in Cuba, and it is unreasonable to assume another 50 years with the same approach will yield any better results.