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The Root Causes of Cuban Poverty

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Cuba's primal scream for liberty on July 11 has gone viral and exposed the grisly methods used by Cuba's gestapo to keep the lid on dissent. But Cubans need outside help. They need the civilized world to come together and ostracize the barbarians in Havana. This requires U.S. leadership. Unfortunately, the Biden administration hasn't seemed up to the task.

Repression and propaganda are the only two things that Havana does well. U.S. intervention to protect against human-rights violations is not practical. But the Biden administration could launch a campaign to inform the public about the realities of Cuban communism. Vice President Kamala Harris might label it "the root causes" of Cuban poverty.

Debunking the Marxist myth that sanctions impede Cuban development would be a good place to start. For decades, Cuba has blamed what it calls the U.S. "blockade" for island privation. Regime talking points have been repeated ad nauseam in U.S. media and beyond. If Mr. Biden wants to police speech, he might ask Facebook to start fact-checking these claims. (Sarcasm alert.)

Administration "experts"—like White House adviser Juan González and Emily Mendrala, the deputy assistant secretary of state for Cuba and regional migration—believe in the failed policy of engagement with the tyrants in Havana. So rather than marshaling its resources to refute the blame-America narrative, Team Biden proposes appeasement, with a larger staff at the U.S. Embassy and more remittances to the island. This will only help the regime keep the upper hand.

Why life for most Cubans is primitive in the 21st century is not hard to discern. Shortages caused by communism have been made infinitely worse during the Covid-19 pandemic because, as tourism dollars dried up, the regime naturally diverted diminishing hard currency to itself.

There is no gasoline or diesel for ambulances when Cubans contract the virus because scarce resources are needed to enable regime repression. Military vehicles and secret-police cars are always ready to go. Nurturing the island's *nomenklatura* also takes real money, as does caring for the children of elite kleptocrats who display their obscene wealth—like car collections, thoroughbred horses and luxurious travel—on social media.

Cubans have been pushed to the brink, as Alberto Hernández explained July 21 in a report from the eastern end of the island titled "Cuba's Generation of Scarcities Has Taken to the Streets" and posted on the Cuban website 14yMedio. "This uprising reveals that Cubans no longer

believe their hardship to be the result of U.S. economic sanctions, but rather the result of the unproductive economic system imposed by their leadership,” wrote exile Jose Azel Friday on the website of the InterAmerican Institute for Democracy.

According to the U.S.-Cuba Trade and Economic Council, U.S. exports to Cuba of “food products and agricultural commodities” totaled almost \$28.5 million in March 2021, compared with \$16 million in March 2020 and \$41 million in March 2019. The total value of U.S.-authorized exports to Cuba in 2019 (pre-pandemic) was more than \$257 million. In other words, the U.S. is a major supplier of food to Cuba.

Havana is sore because it doesn’t qualify for credit from the U.S. But Cuba is a proven deadbeat, having defaulted on hundreds of millions of dollars in debt to Russia, Europe, Latin America and Japan. The despots are pouting too because they can’t stick their snouts in troughs at the International Monetary Fund and World Bank.

The \$1 billion reconstruction of the Port of Mariel, underwritten by Brazil, was supposed to “lure foreign investment” according to the BBC in 2014. But regime elites don’t want competition. British citizen Stephen Purvis learned that the hard way. He was enjoying success as a partner of the totalitarians until they decided his company was gaining too much power. That’s when he was thrown in prison for 18 months. Cuba’s practice of arbitrarily locking up foreign investors is one more example of how the country blockades itself.

U.S. sanctions prohibit tourism to the island because the armed forces run the entire tourism industry and use the proceeds of their businesses to maintain the dictatorship. Many Americans, though, go around the rules by entering the country from Canada or Mexico, and the rest of the world can take holidays in Cuba. “Out of the 193 members of the United Nations, Cuba is free to trade with 192,” the Cato Institute’s Marian Tupy wrote on Friday.

The administration says it is working to ensure internet access on the island. But it also needs to issue a general license for digital-money developers looking for ways to get hard currency to Cubans while bypassing the regime.

Meantime, if the State Department is serious about challenging the military dictatorship, it can start by unleashing its public diplomacy operation to tell the truth about why Cubans are poor.