



SPECIAL REPORT

# The rapprochement between Cuba and the United States and its implications for Latin America

Madrid, January 2015

**d+i** LLORENTE & CUENCA

1. INTRODUCTION
2. TERMS OF THE REACHED AGREEMENT
3. THE SCOPE OF THE SHIFT IN THE U.S. POLICY TOWARDS CUBA
4. THE DISCUSSION AROUND THE OLD DEBATE FOR OR AGAINST THE EMBARGO
5. PRESIDENT OBAMA'S REASONS FOR THIS CHANGE
6. HAVANA'S REACTION. THE REASONS FOR RAÚL CASTRO TO ESTABLISH LINES OF COMMUNICATION WITH THE U.S.
7. CHANGE EXPECTATIONS IN CUBA AFTER NORMALIZING THE DIPLOMATIC RELATIONS
8. LATIN AMERICA'S OBJECTIVE TO BREAK THE ISOLATION OF CUBA. A SUCCESSFUL AND UNPRECEDENTED CONCERTED ACTION
9. CONCLUSIONS

LLORENTE & CUENCA

## 1. INTRODUCTION

The decision by the United States and Cuba to restore diplomatic relations has several implications for which this event can be labeled as historic and memorable. Said relations were severed in 1961 and such circumstance was but a mere vestige of the Cold War. Thus, the last “wall” of the aforementioned era has fallen and the Caribbean Island, as well as the Latin American region, will now enter a period of uncertainty, but also significant repercussions.

That being said, and bearing in mind the importance of recent events, the object is to analyze the causes that have contributed to this change as well as its nature and scope. Many analysts have described this rapprochement between the U.S. and Cuba as a “change of era”, which will not only entail the liberalization of the Cuban economy, but will also bring democracy. Therefore, it is believed that there is only a single possible path to a single destination: the transformation of the Cuban regime into a democracy within the international market. Thus, the transformation concept developed by Francis Fukuyama, who considered all societies would develop into democracies and towards the market, hence reaching the End of History, becomes a reality.

The reality, however, has continued showing that few changes take place in a straight and mechanical manner and, consequently, transformations do not necessarily entail the creation of democratic and free market political regimes and systems. China is the best example, but not the only one. In this case a communist dictatorship has adopted a capitalist system. A reference model for Raúl Castro.

The proposal is to analyze the reality considering the complexity of all possible factors that might be involved in this process of change. The most significant one is the will of the Cuban population. However, since the announcement of the resumption of diplomatic relations with United States, although Cuba has been a common topic, little or nothing has been said regarding the wishes of Cubans, even though the process mainly depends on them.

The fact that the announcement took everyone by surprise, as it occurred after secret negotiations, might be the reason for which the analyses have been mainly based on the current circumstances. Certainly, the difficult economic situation of Venezuela, Cuba's most important ally, can ultimately affect the oil donations Venezuela makes to the Island, which helped the regime survive in the last years. In this context, diversifying allies might be interesting, but this rapprochement between the island and the U.S. goes

**“As regards Cuba, the process of change itself and the economic-financial needs it entails has favored a predisposition for the rapprochement between both countries”**

beyond circumstances relative to international markets or the supposition that Cuba, for this reason, might replace Venezuela for the United States. The shift has been very significant but, currently, it is hard to imagine the U.S. becoming the biggest ally of Cuba.

In any case, a situation analysis cannot be used. There is a prior context and willingness on both sides which justify the changes. In the case of the United States, Barack Obama's aspiration of strengthening its leadership thanks to multilateralism and cooperation and not unilateral imposition and force is quite noteworthy, since Cuban exceptionalism constantly questioned this form of leadership.

As regards Cuba, the process of change itself and the economic-financial needs it entails has favored a predisposition for the rapprochement between both countries, unthinkable not long ago.

The new Latin American context and the pressures in recent years by the Latin American region to end Cuban isolation should also be taken into account.

These are some of the causes that explain the resumption of diplomatic relations. Without a doubt, this process cannot only be explained through a single factor. Without this background and willingness to change, on both sides, nothing would have been achieved. In fact, attempts to approach the Cuban regime

by other U.S. presidents, such as Jimmy Carter and Bill Clinton, were eventually boycotted by Fidel Castro.

Finally, the mediation of Pope Francis was the last link of a particularly complex process. The fact that he took part in the final phase of negotiations seemed crucial, as both governments have recognized.

If all these factors are taken into account, it is possible to understand the importance of the decision made by Cuba and the United States. However, results will not be visible in the short term, but in the medium and long term. The embargo is still in force and removing it will not be simple. In any case, it would be premature to assume that the restoration of diplomatic relations and increased trade, or even the end of the embargo would entail the end of the current dictatorial regime. The experience of recent years shows that it must be this way.

Be that as it may, what has been clearly shown are the effects of the embargo. It is clear that far from suffocating the regime, it provided it the oxygen it needed. During 50 years it has allowed the Castro family to hold the United States accountable for the contradictions of the regime and to legitimize their continuity in power. But apart from not achieving its goal, the cost has not only been economic, but also human. Therefore, it does not seem the best way to foster a change of regime, although it has been effective.

**“The world will have to pay close attentions to the Cubans and their desires, since the direction taken by the transition process depends, ultimately, on them”**

The world will have to pay close attentions to the Cubans and their desires, since the direction taken by the transition process depends, ultimately, on them.

## 2. TERMS OF THE REACHED AGREEMENT

The terms of the rapprochement between both governments should be analyzed, as it may seem that by restoring diplomatic relations all bilateral problems would be resolved. Certainly, it is significant that after 53 years without any relations, they have now been resumed, but as Raúl Castro himself stated on December 17, when he announced the news to the population “an important step has been made, but the most crucial one still remains, the “bloqueo”, as Cubans refer to the embargo.

The terms of the agreement were based on the exchange of “prisoners”. While the regime released a spy of Cuban nationality, who worked for the United States, after 20 years of captivity, Washington freed three Cuban spies who were in jail for a decade. With this exchange, the release of Alan Gross could be labeled as a humanitarian gesture of the Cuban Government, independent of any exchange. Gross is a North American contractor who had been in jail in Havana since 2009, and whose release was the condition set by the U.S. Government in order to move forward any type of negotiation. Under the aforementioned terms, the resumption of diplomatic

relations became a reality, as well as the opening of an embassy in Havana and an increase in commercial, financial and public exchanges within the possible limits allowed by law to the President of the United States.

Negotiations started under the utmost secrecy, in June 2013, in Canada, supported by the government of the northern country, where representatives met several times. A key meeting of this process took place in March 2014, when the U.S. President visited Rome and met Pope Francis I. The next step was the letter that the Pope sent to Obama and Castro, asking both to put a solution to the imprisonment of people in both countries.

However, this rapprochement is not a mere exchange of prisoners, as this has only been the path to normalize these bilateral relations. As evidence of this willingness, President Obama is also considering removing Cuba from the list of terrorist states created by the United States. However, the ultimate goal is more ambitious, since in fact the restoration of diplomatic relations would not imply the complete normalization of the bilateral relations. In the case of Cuba, there is also an economic embargo by the United States, which has been in force for 53 years.

The objective of President Obama is to put an end to the embargo, although this process will take longer and be more difficult, since the legal framework governing it depends on the Congress and, therefore, its repeal does as well.

**“The step taken by  
the U.S. Government  
is certainly  
extraordinary”**

The added problem is that, in this case, Democrats have lost their majority in the House, which will be Republican from January onwards. Despite these difficulties, the President assured that he will use all tools he can to increase the flexibility and volume the flow of exchanges between both countries as much as possible. At the moment, the possibilities of increasing U.S. tourism to the Island will be authorized, as well as using bank cards and making banking transactions between Cuba and United States. Communication liberalization between both countries, another object of the U.S. President, will be as important.

### 3. THE SCOPE OF THE SHIFT IN THE U.S. POLICY TOWARDS CUBA

The step taken by the U.S. Government is certainly extraordinary and so is its scope if we take into account the history of relations (or lack thereof) between both governments, which date back to the Cold War.

After the U.S. assets' expropriation carried out by the revolutionary government of Fidel Castro, President Eisenhower imposed a partial veto to U.S. exports to Cuba with the exception of food, drugs and medical supplies. The nationalization of U.S. properties in 1961 led to the suspension of diplomatic relations between the U.S. and Cuba. In February 1962, President John F. Kennedy extended the restrictions by imposing a total embargo on imports and exports and few exceptions in response

to the “subversive communist offensive that the Government of Cuba is currently implementing”.

Meanwhile, in 1982, Cuba was included in the list of countries that sponsor international terrorism, for supporting communist groups in Africa and Latin America in the 60s and 70s and welcoming members of ETA and FARC. These were the reasons for which Cuba remained in the aforementioned list in 2013.

Gradually, the embargo also underwent changes. The most significant one took place in 1996, though the Helms-Burton Act, which tightened trade restrictions and shielded them legally. The desire to prevent any relation of the island with outer agents even considered penalizing third countries which traded with Cuba. It also sought to recover the property confiscated by the Cuban government.

The isolation process is strengthened when Bill Clinton, in 1996, decided to put a halt to commercial flights between the U.S. and Cuba, after the latter downed two U.S. civilian planes. Still, Americans could visit the island, as there was some flexibility in that regard. However, this option was repealed by George W. Bush in 2003. Nonetheless, the former president allowed the sale of food to Cuba for humanitarian reasons after Hurricane Michelle devastated the Island.

However, beyond conciliatory gestures, U.S. foreign policy, due to the actions taken by the Castro government, has always been based on strengthening isolation. According to this record, the importance of

**“The intervention of  
President Obama was  
honest in many ways”**

the radical change experienced by the U.S. towards Cuba cannot be stressed out enough.

#### 4. THE DISCUSSION AROUND THE OLD DEBATE FOR OR AGAINST THE EMBARGO

The intervention of President Obama was honest in many ways. Firstly, it recognized the failure of the policy applied by the U.S. so far, and secondly, by stating the intentions behind this new strategy.

In his speech on December 17, when he announced the resumption of diplomatic relations, Obama commenced by quoting one of the first U.S. failures: the invasion attempt of the Bay of Pigs and strongly affirmed: “...Let us end an outdated approach which, for decades, has failed promoting our interests...” a policy that “no other nation has implemented...”, “I do not think we can keep doing what we have done for five decades and expect a different

result”. “It is time to chart a new course”. Beyond the failure of this policy, it being effective would not have justified its implementation, according to the President, as he does not consider this strategy to be a legitimate way to foster changes in society, by trying to “strangle” it<sup>1</sup>.

Thus, the President adopted an approach that had been designed a long time ago, based on cooperation and not confrontation as the best method to achieve the transformation of a dictatorial regime, as is the Cuban regime. This was the reason that fostered the policy shift, openly declared by the President, as occurred when he criticized the policy carried out until recently.

The embargo issue is an extremely controversial topic that has always been discussed, but now has been put the spotlight<sup>2</sup>. It is a matter that divides Democrats and Republicans in the United States, although none have

1 “President Obama’s Cuba Speech”, <https://www.youtube.com/watch?v=JbfFmcqjQpk>.

2 Beyond the political and ideological motivations that support the position for or against the embargo, statistical data do not show a conclusive result either, although they lean towards its ineffectiveness. According to the report of G. C. Hufbauer, J. J. Schott, K. A. Elliott and Barbara Oegg, “Economic Sanctions Reconsidered”, Peterson Institute International Economics, <http://bookstore.piie.com/book-store/4082.html>, it confirms 34% of the almost 200 sanctions imposed in the last century were successful to a certain degree. Meanwhile, Robert Pape, “Economic Sanctions Do Not Work”, *International*, Vol. 22, Issue 2, (Autumn 1997), pp. 90-136, [http://web.stanford.edu/class/ips216/Readings/pape\\_97%20%28jstor%29.pdf](http://web.stanford.edu/class/ips216/Readings/pape_97%20%28jstor%29.pdf), reduces this figure to 4% as it is stated that, in many occasions, the force was used, whether directly or indirectly. Andrew Kenningham, economist at Capital Economics, thinks that the sanctions imposed on Iraq between 1991 and 2003 were more effective, as they reduced the country’s GDP by more than 50%, or those implemented in Yugoslavia, by over 10%.

Nonetheless, it has not been detected which sanctions are more effective. Those implemented unilaterally are expected to be less effective, in contrast with those resulted of an agreement of a wide range of countries. In the case of Cuba, commercial and exchange relations with other countries eased the difficult situation created by the North American embargo, which became evident after the fall of the Berlin Wall and the end of the trade relations with the USSR. Those years were of extraordinary scarcity and the embargo worsened significantly the situation.

**“Republican senators,  
particularly those of  
Cuban origin, have been  
the most critical”**

a single, unanimous opinion regarding this issue.

Republican senators, particularly those of Cuban origin, have been the most critical. The Senator for Florida, Marco Rubio, stated that “The President has shown today that his foreign policy is not just naive...” because “...it willfully ignores how the world really works”. The reason for such criticism mainly lies in the fact that, as long as there has been a “democratic opening” of the Island, any approach will be “counterproductive”. According to the Senator, this strategy “... will do absolutely nothing to develop human rights and democracy in Cuba”, on the contrary “It is a lifeline for the Castro regime which will allow them to be more profitable ... and stay longer in power”.

Jeb Bush, brother of G. Bush, joined his voice to the Senator’s criticism. This could be quite significant, as J. Bush considers running for the next Presidential Elections. For the potential candidate, “Cuba is a dictatorship with a disastrous record regarding human rights and now President Obama has awarded dictators. Instead, we should be promoting efforts that actually lead to a legitimate and fair democracy that shall ultimately prevail (in Cuba)”, as he stated in his Facebook account.

Criticism from democrats related more to the negotiations that the Government carried out. “Exchanging Mr. (Alan) Gross for three convicts sets a dangerous example”, according to Senator

Bob Menéndez, democrat for New Jersey and Chairperson of the Senate Foreign Relations Committee, stating that “this promotes dictatorial regimes to use Americans that are on missions abroad as a bargaining chip”.

Nevertheless, President Obama has the support of most Democrats, who find it necessary to put an end to the embargo in order to achieve democracy, the inclusion in the free market and not delay its abolition to achieve the aforementioned goals. Gregory Craig, former adviser to the White House, agrees with this approach and stated that the embargo blocked this change, thus the “inefficiency” of this policy, since it prevented the United States from becoming “a positive force for change” in the Island. Under this convictions, Jim McGovern, Co-Chair of the Congress Human Rights Commission, considers that removing this embargo would terminate the pretext used by the Cuban government “to justify many of its repressive policies” and added that “there are hardliners in the Cuban government that want the situation to remain unchanged. They are starting to feel very nervous...”

In any case, as has already been stated, a clear dividing line between Democrats and Republicans cannot be established. Besides critical Republicans, there are conservative politicians who, driven by their belief in the free market and pragmatism, which defines the conservative approach, consider the embargo to be useless and counterproductive for the

**“The reasons for Obama to implement these changes are based on the conviction of a needed approach to Cuba”**

national interests. Senator Jeff Flake, who belongs to the Tea Party movement, or Rand Paul, an emerging political actor who aspires to be presidential candidate for the right-wing, are examples of the aforementioned approach.

## 5. PRESIDENT OBAMA'S REASONS FOR THIS CHANGE

The reasons for Obama to implement these changes are based on the conviction of a needed approach to Cuba, a strategy that by no means has been improvised. The President stated this conviction during his first term. In 2009 and 2011, Obama eased the policies regarding remittance transfer, family travels and visiting options for American citizens. But the Alan Gross case, arrested at the end of 2009, halted the approach.

The final push for this approach is probably due to the confluence of several factors. Among them, enough social support, and it remains to be seen if sufficient political support as well. In this sense, pressures, more than supports, might have played an important role. According to Phil Peters, President of the Cuba Research Center, these pressures have come from Senators, Members of Congress, the Catholic Church and several Latin American governments.

However, this favorable national and international context for the policy shift must be understood as the most optimal situation to support the way in which President Obama believes that the U.S. has to exert international leadership, a leadership that he considers to be indisputable. Yet, in order to recognize it, the leadership will have to be based on multilateralism and cooperation rather than unilateralism and force. The traditional policy towards Cuba was a pending challenge, in this sense, as it made the U.S. lose credibility, at the international level, in relation to this form of leadership.

Although it has been clearly stated that this has been Obama's desire for a long time, the President is not taking a mere leap of faith. As regards social support, several surveys have shown that Cubans who came to the United States immediately after the revolution or the descendants of the first generation of immigrants have a different point of view with respect to the relations with Cuba<sup>3</sup>. For years, even if they believed so, no candidate would have openly stated supporting the end of the embargo. However, nowadays it is an option, as most of the Cuban community agree with this option. Thus, “little political harm” could be done to President Obama and the Democratic Party if they decided to foster a policy shift<sup>4</sup>, something that had clearly been

3 “How Cuban Americans in Miami view US. Policies Towards Cuba”, Cuban Research Institute, 2014 FIU, <https://cri.fiu.edu/research/cuba-poll/2014-fiu-cuba-poll.pdf>.

4 Opinion by Peter Schechter, Director Adrienne Arsht Latin America Center, Atlantic Council.

“Chamber of  
Commerce  
particularly supports  
the new presidential  
policy”

analyzed before announcing this policy change.

Another community interested in what happens in Cuba is the business sector, now observing with concern how several multinationals are arriving at the Island to make investments and potentially leaving them with no room to invest in the Island, once the regime ultimately falls. The U.S. Chamber of Commerce particularly supports the new presidential policy, as it will entail an increase in the economic flow despite openly declaring its opposition to the health care reform or the reduction of emissions proposed by President Obama. The American Farm Bureau Federation has also shown similar interest, as exports to Cuba have been increasing for some time and the Federation hopes that the market might grow as well.

This support would also foster the international leadership that President Obama intends to exert, which was put in doubt with the embargo, since this measure was the result of a unilateral, force policy and not a multilateral and peaceful cooperation strategy. In this sense, the interest of Cuba does not depend as much on the Island or a priority interest of the region, or not just in both, but also in trying to maintain the principles that should govern

such leadership, especially with a neighboring country, in a coherent manner under the American point of view. This concern regarding international leadership has been pointed out by representatives of the U.S. government, who argued that the attempt of isolating Cuba, the U.S. started fearing it would be them who would be ultimately isolated, particularly in the Western Hemisphere<sup>5</sup> (this being Latin American, United States and Canada).

However, it was not only this region that criticized the policy; the whole international community had also expressed their disagreement, as the UN stated. In the last vote, one hundred eighty-eight countries voted against the embargo, Israel was the only country that, alongside the United States, voted in favor. Therefore, there was an evident contradiction between the aspiration to become an international leader by taking decisions based on consensus and cooperation and maintaining the embargo.

In other words, the Cuban exceptionality had no sense at all, especially if it contradicted the type of leadership that Obama pretends to achieve. In his speech on December 17, he also declared that the United States had restored relations with other communist states,

<sup>5</sup> Miami Herald, “Kerry, Pritzker, Lew: President Obama’s new Cuba policy looks forward, not back” by John Kerry, Penny Pritzker and Jacob J. Lew, 12/22/2014, <http://www.miamiherald.com/opinion/op-ed/article4746744.html>.

**“The truth is that  
no reforms are of  
political nature,  
where immobility still  
remains”**

such as China and former enemy Vietnam, where the U.S. suffered more casualties than in any other Cold War conflict.

Nevertheless, it can be said that the starring role Cuba has acquired for American diplomacy in the last few months or the concerns for the region do not imply that Cuba or Latin America are now a strategic priority area, as occurred during the Cold War. American power remains concerned about other areas of the globe and has more pressing issues to attend in other parts of the world, such as Asia. The fall of the Berlin Wall entailed the loss of U.S. interest in the region and, for the moment, this situation remains unchanged. Certainly, important trade links are maintained and the U.S. remains a prime trading partner. In fact, the U.S. is concerned about the interest China has in investing in Latin America and vice versa. Currently, the Latin American region is an investment opportunity and a large commodity market for the Asian powerhouse.

Therefore, it is definitely advisable to pay some attention to the region, but it must be stressed that this will not translate into reconsidering, once again, the Latin American zone as a priority. In fact, as stated by Congressman Jim McGovern, “Cuba is not the most important foreign policy issue of the U.S.,” at least not by itself, but as a piece that helps consolidating the kind of international leadership Obama aims to achieve. This has certainly been a key point in the regularization of the relations with the Island.

## 6. HAVANA’S REACTION. THE REASONS FOR RAÚL CASTRO TO ESTABLISH LINES OF COMMUNICATION WITH THE U.S.

The analysis of factors that have contributed to this historic approach between two countries cannot be complete unless the event is studied from the Cuban point of view, so as to understand the reasons for which the regime has taken part in the negotiations and, more importantly, how it was possible to reach an agreement.

The first element that must be noted is the transition process started in the island when Raúl Castro replaced his brother Fidel as Chairman of the Council of State and Ministers, back in 2008. From that moment, the changes introduced in the Island have been of economic nature, aimed at liberalizing the economy in a gradual manner. However, according to the government, these changes seek to “enhance the socialist system” and not to transform it into a market economy.

At the same time, critical observers with the Cuban regime agree on the reforms being slow. Some even believe these changes are merely cosmetic and, in any case, all claim that they are of economic nature. The truth is that no reforms are of political nature, where immobility and the dictatorial essentialism that has characterized the regime since its origin still remains.

**“However, the steps taken and those planned generate new economic-financial needs that make the embargo unsustainable”**

While some of these perceptions are shared, although not all of them, it would be interesting to take into account some of the factors that complicate the Cuban transition process. Undoubtedly, the reforms are slowly being implemented, not fast enough for the urgent needs of the island, but that is not a reason to ignore that at least certain reforms have changed fundamental principles of communist orthodoxy, in spite of some Cuban leaders, even to the point of modifying the Cuban political world in an what was an unthinkable outcome not so long ago. Havana, the capital, is a good example, as the private sector is boiling and growing, in constant expansion since 2010, where the first reforms implemented by Raúl Castro entered into force. Private activities are one of the great innovations of the new policy and even if they are slowly / timidly growing, the situation seems unstoppable.

The process is certainly irreversible, independent of its pace, although the impression is that there is no strong political strategy planned for a particular society model. This impression leads one to wonder whether the current Cuban regime exactly knows where this process is heading and when it will end or to what extent are Cuban leaders directing the change process that the society is experiencing.

Unquestionably, there have been no reforms in the political arena. It is not by chance that the Chinese model is an essential reference for the Cuban regime.

However, this does not mean that the Chinese regime has no control on the economic changes and the effects thereof on society. It seems that Cuba has no specific transition planning, by regime default. The absence of official messages to guide the process or explain its meaning suggests that there is a lack of a concrete comprehensive project. In fact, rather than an ideological “guidance” to lead the process, as could be expected in an authoritarian regime, there is a complete de-ideological process. In such a crucial moment, where the regime risks losing its revolutionary identity, there is not even graphic presence of the Castro family in the streets or buildings, there are no speeches, neither new nor old revolutionary messages that lead the process towards a specific society model.

The pace at which reforms are being implemented is questionable, but that does not mean they do not exist at all. Yet the way in which reforms are being implemented can be as worrisome as the speed at which they are taking place. But again, they are a reality. In any case, they are essential in order to explain the rapprochement between both countries. The eagerness to criticize the slowness and its alleged superficiality prevented many analysts from considering it a key factor to explain the shift in Cuban foreign policy, unthinkable not long ago. However, the steps taken and those planned generate new economic-financial needs that make the embargo unsustainable. Therefore, it can

**“It is certainly necessary to refer to the change process that Cuba is undergoing to understand the rapprochement between both nations”**

be said that the internal reform process experienced in the island, even with all its peculiarities, has favored a new relation between the Cuban regime and the U.S., which would have been impossible otherwise.

The importance of the internal Cuban process seems to have more importance than the current situation of oil prices. It has been assumed that the serious crisis of the Venezuelan economy, worsened with the current drop in oil prices, could explain by itself the rapprochement between Cuba and the U.S. in order to secure new sources of income. Surely, the situation and the development of the Chavez regime are important for Cuba, since Venezuelan oil made it possible for the regime to survive. However, it should be noted that the Cuban process of change is prior to the oil price drop as was Raúl Castro’s predisposition to establish relations with the U.S., as he stated<sup>6</sup>. Supposedly, Cuba’s plans would imply replacing Venezuela for the U.S. as benefactor country in order to ensure the continuity of the dictatorship. Nevertheless, the U.S. becoming the “new best friend”<sup>7</sup> of Cuba in a short period of time would be hard to imagine.

It is certainly necessary to refer to the change process that Cuba is undergoing to understand the rapprochement between both nations. This could be few and

its implementation slow, but they are enough so that Cuba leaders become aware of the urgency of putting an end to the embargo in order to advance by themselves.

## 7. CHANGE EXPECTATIONS IN CUBA AFTER NORMALIZING THE DIPLOMATIC RELATIONS

A common, rather premature question, since December 17, when the normalization of diplomatic relations was announced, is whether this will be the final step to end Cuban dictatorship. Taking into account that the historical legitimacy of the regime was based, to a great extent, anti-imperialism, it could be argued that this new context leaves the Castro family without any arguments or political legitimacy to support the regime. However, this approach might be based more on what is desirable rather than what could actually happen. In order to carry out a comprehensive analysis, the desires of the Cuban population and the way in which they will manage this new situation should be considered, regardless of personal preferences.

The announcement of the normalization of relations with the U.S. in Cuba, far from generating a feeling of claudication or being sensed as a sign of weakness, was greatly celebrated. It was labeled as a great victory, the most

<sup>6</sup> <https://www.youtube.com/watch?v=SkoYsN6NnvY>

<sup>7</sup> This is the famous phrase by the late President of Venezuela, Hugo Chávez, when, after the tense relations with Colombian President Álvaro Uribe, relations were restored as J.M. Santos became President of Colombia.

**“The regime will remain true to their principles and their allies, most notably the Bolivarian Republic of Venezuela, as stated by Raúl Castro”**

significant in decades, against the “empire”. Apart from that, the celebrations mainly gravitated around the return of the spies (or “heroes” as the regime called them). This was another victory for the regime, most notably for Fidel Castro, who predicted in 2001 that they would return<sup>8</sup> and, as Raúl Castro recalled in his closing speech to the National Assembly, has actually happened<sup>9</sup>.

From the regime’s point of view, there are clearly justified reasons to resort to anti-imperialism and legitimize the continuity of the regime. The first argument is the embargo, still in force since its repeal exclusively depends on the Congress and not President Obama. In any case, the embargo is not necessary in order to keep anti-imperialism alive, as shown by the governments of Venezuela, Bolivia and, to a lesser extent, Ecuador and Nicaragua. These governments, grouped within the ALBA, base much of its legitimacy on anti-imperialism and are not subject to an embargo by the United States. Nevertheless, as stated in the speeches of Raúl Castro no ideological change can be noted. The regime will remain true to their principles and their allies, most notably the Bolivarian Republic of Venezuela, as stated by Raúl Castro<sup>10</sup>.

The assumption that economic changes towards free market would entail, almost automatically, a democracy, has been the main argument to support ending the embargo. However, the fact that it was refuted, in the last years, through the Chinese example, does not mean that maintaining the embargo is a better option. Its abolition will ultimately enhance the situation of the Cuban population and will provide them, in the medium and long term, more information and, thus, more options to decide about their political future.

In any case, even though the step taken is of great importance, before planning the future what has been achieved should be consolidated, as stated by Cuban writer Rafael Rojas, although he considers this event to “close the epilogue of the Cold War”, “the normalization of the relationships” will be “very difficult and not without setbacks, as it will have to face obstacles from both Havana and Washington”.

## 8. LATIN AMERICA’S OBJECTIVE TO BREAK THE ISOLATION OF CUBA. A SUCCESSFUL AND UNPRECEDENTED CONCERTED ACTION

A fear of isolation, admitted by the Secretary of State himself,

<sup>8</sup> In the Cuban social networks, the use of the tag #Volvieron (#theyreturned) reminded Cubans the promise made by Fidel Castro in a speech in the summer of 2001: “Let me tell you one thing, they will return”.

<sup>9</sup> <https://www.youtube.com/watch?v=SkoYsN6NnvY>

<sup>10</sup> <https://www.youtube.com/watch?v=SkoYsN6NnvY>

**“As compared with the U.S. policy, Brazil, which has always aspired to become the leader of the region, launched a new policy of ‘constructive engagement’ towards Cuba in 2003”**

J. Kerry, constitutes the clearest evidence of the success of a joint action of all Latin American governments that, since December 2008, have persisted in calling, both explicitly and implicitly, for an end of the isolation of Cuba. This is a major achievement given that the general rule was based on division instead of a coordinated action.

The leadership role carried out by Brazil is very likely to be related with the success of this concerted action. Since 2008, Brazil suggested in the Latin American region to include Cuba, not only in the new exclusively Latin American bodies, where the U.S. was not present, but also in the Organization of American States (OAS), made up of the countries of the region, the United States and Canada. Cuba was suspended from its membership in the aforementioned organization in 1962, due to its attachment to communism.

As compared with the U.S. policy, Brazil, which has always aspired to become the leader of the region, launched a new policy of "constructive engagement" towards Cuba in 2003. Through this engagement, Brazil considered cooperation as the most efficient tool to promote changes in Cuba. This is the approach through which Brazil succeeded in fully involving all the governments of the region, whether from the left or the right-wing, in supporting the end of the isolation carried out not only by the U.S. but also by the Latin American region itself for many years. December 2008 is a key date

for this engagement to become a regional concerted action. On that date, Brazilian diplomacy, in a true display of organization and convening power, gathered within 48 hours all the representatives of the region in the Brazilian resort Costa Sauípe in order to hold the MERCOSUR Social Summit Meeting, the Union of South American Nations (UNASUR) meeting, the last meeting of Rio Group and the First Latin America and Caribbean Summit (CALC). All aforementioned bodies were either South American or Latin American. CALC was a new forum where all countries of the region, including Cuba, were gathered without the U.S., Canada, Spain or the European Union.

At these meetings, there were many explicit messages promoting regional empowerment and the willingness to transform the region into an international actor with its own free will. In line with this statement, the first decision they took involved the inclusion of Cuba and the requirement for the United States to put an end to the isolation. In addition to these explicit statements, many implicit messages were also heard. Thus, the reason for which all these Latin American and South American meetings were held at the same place and organized in a very short period of time was not only to have a practical understanding but also to highlight the existence of their own regional agenda. This is intended to make a difference from the past, when “the meetings of these countries were only held with the prior consent of the U.S.”, whereas “now they have spoken freely and spontaneously, and

**“Of course, Cuba is also a preferential member of Bolivarian Alternative for the Americas (ALBA), created in 2004 and led by H. Chávez”**

they have said that they need to create multilateral organisations of their own rather than having to go to the Hague to have their problems solved.<sup>11</sup>

In view of the closeness of dates between the summits and President Barack Obama’s inauguration, this could also be interpreted as a direct message addressed to the newly elected President about the new terms defining the relations between the U.S. and the rest of the region. Another message can be found, direct and explicit in this case, addressed to the new U.S. administration about Cuba’s participation in the CALC, which again highlights the new way of managing regional autonomy. The objective was not only for Cuba to participate in the new regional project emerging from this summit, but also to include the country in Latin American and even hemispheric institutions. In line with these objectives, Cuba’s incorporation to Rio Group was also formalized, which met at the same location during those days, as noted above. Cuba’s reincorporation was reaffirmed by official visits from several Latin American presidents during 2009<sup>12</sup>. All these meetings have been preceded by meetings between Lula and Fidel and Raúl Castro.

This concerted action, which is a significant step by itself, has managed to continue over time, as demonstrated by the formalization of the Community of Latin American and Caribbean States (CELAC), which emerged from the CALC in 2010. In addition to being a member of CELAC, it hosted its Second Summit, thanks to which it gained great prominence.

Of course, Cuba is also a preferential member of Bolivarian Alternative for the Americas (ALBA), created in 2004 and led by H. Chávez, whose major inspiration in the process of implementation of his own political project was Fidel Castro. Without the persistent pressure of Hugo Chavez to reintegrate Cuba into the region, Brazil might have not considered him as the symbol of its leadership. This statement is yet still an assumption, but it would not have been H. Chávez’s only proposal which I. Lula Da Silva would have integrated into his regional projects, after being moderated.

Cuba has also a great importance in the OAS without being a member. As a result of the joint action and its effective pressure, the OAS lifted in 2009, with the approval of the U.S., the historical suspension that had kept Cuba away from the hemispheric body. Nevertheless, Havana made quite

<sup>11</sup> <http://www.elespectador.com/noticias/elmundo/articulo100183-castro-y-lula-dicen-latina-mayor-de-edad-y-tiene-voz-propia>.

<sup>12</sup> Also in January, Panamanian President Martín Torrijos, Equatorian President Rafael Correa and Argentinian President Cristina Fernández visited Havana. Chilean President Michelle Bachelet visited it in February, followed by Guatemalan President Álvaro Colom and Mexican President Felipe Calderón.

**“The normalization of diplomatic relations between Cuba and the U.S. cannot be understood without the pressure exerted by Latin America on a concerted basis”**

plain its lack of interest in being reintegrated into an organization it considers inferior to other regional institutions such as CELAC or ALBA. After some time and as an evidence of the changes undergone by Cuban regime ever since the normalization of its relations with the U.S. was announced, Raúl Castro accepted the invitation from Panamanian President Juan Carlos Varela to attend the Seventh Summit of the Americas in April 2015, organized by the OAS. Castro's attendance does not imply the admission of Cuba into the organization, since this is only feasible through the prior acceptance of the Inter-American Democratic Charter and its democratic clause. However, this is not likely to happen yet or soon, at least while the Castro regime remains in power.

The last significant step through which Cuba has become the core of the region was the election of the Havana at the venue for peace negotiations by the Colombian government and the Revolutionary Armed Forces of Colombia (FARC). In this case, the message is especially important as Colombia is considered as a U.S. ally by its neighboring countries. Not long ago, due to this situation, it was unconceivable that the Colombian government would approve that venue. Yet, the aim was to convey that even a US ally, without having to renounce its position, did not agree with the US isolation policy towards the island either.

These facts also confirm that the normalization of diplomatic relations between Cuba and the U.S.

cannot be understood without the pressure exerted by Latin America on a concerted basis. Although this is certainly not the only factor, it is indispensable since because of it the U.S. has considered the eventual risk of being isolated from the region and, in a way, from the rest of the world.

## 9. CONCLUSIONS

The multi-causal explanation applied aims to underline the impossibility to explain a process, as the one analyzed here, through a single factor.

In order to restore diplomatic relations, there was a need for both parties to show their willingness to achieve that objective. This willingness is also explained through several factors, both in the U.S. and in Cuba. In the United States, President Obama's intention to put an end to the isolation of Cuba comes mainly from the way he understands the international leadership the U.S. must exert. In so far as the mentioned leadership must be based on multilateral and peaceful actions, the embargo represents a contradiction as it was a result of a unilateral decision based on force.

Nonetheless, beyond President Obama's intentions, there was a need to have enough support, at least social support, which they had in this case. The generational change undergone by the Cuban-American community has favored a transformation of the view of

**“The Latin American region is expected to be aware of its joint action and to be convinced that it can become an international actor and obtain the capacity to influence from this concerted action”**

the dictatorial regime to such an extent that the majority of the community accepts the end of the embargo. Up to now, a liberal behavior towards Cuba would translate into a loss of votes by the Cuban community.

With respect to Cuba, although there is a tendency to undervalue all changes that have been introduced since Raúl Castro's rise to power in the island, what seems certain is that these changes were enough to facilitate a rapprochement with the United States. Cuba requires financing and trade and this budget is important enough to encourage a behavioral change, which was unconceivable not long ago. This means that, despite the acceptance of the economic changes, the regime admits the end of the dictatorship and accepts a transition to democracy.

However, although the case of China denied the almost natural association established, until recently, between market liberalization and democracy, the end of the embargo still benefits the Cuban population, whether in terms of welfare or information, which can help Cubans realize the virtues of democracy.

The other relevant factor pointed out above is the concerted action of the Latin American region under the Brazilian leadership. ALBA's support was indeed predictable but the support of the entire region came as a surprise. Regardless of the reasons, no Latin American government has

ever doubted the support to end Cuba's isolation since 2008. This homogeneous behavior is unprecedented in the region. There are no precedents in the region with regards to the emergence of a single voice that was sustained over time in Latin America. There is no doubt that this common line of thought raised awareness in the U.S. of the risk of being isolated in its own region while trying to isolate Cuba. This was acknowledged by the Secretary of State himself, J. Kerry and observed by the rest of the international community, which in turn had expressed its opposition to the embargo, thereby increasing the U.S. isolation risks.

The Latin American region is expected to be aware of its joint action and to be convinced that it can become an international actor and obtain the capacity to influence from this concerted action.

The government of Canada and the Papacy joined these actors' action, who announced their willingness to cooperate some time ago. Although they are circumstantial actors, they have great relevance. Canada provided the ideal facility to conduct secret negotiations and Pope Francis gave the final boost for an apparently decisive process, which started a few months ago, as noted by both the U.S. government and the Cuban government.

The future remains to be seen, full of uncertainties and difficulties, both in the short and long term.

**“It will mainly depend on the Cubans’ willingness and an eventual end of the embargo would also facilitate the situation and promote the transition in the country, although it would not ensure it”**

Regarding the short term, a strong opposition is expressed to the new stage of relations between the U.S. and Cuba of which both governments are very aware. The medium and long term depend on various factors including the longevity of the Castro brothers,

even though their disappearance will not solve all problems. It will mainly depend on the Cubans’ willingness and an eventual end of the embargo would also facilitate the situation and promote the transition in the country, although it would not ensure it.

LLORENTE & CUENCA is the leading Reputation Management, Communication, and Public Affairs consultancy in Spain, Portugal, and Latin America. It has **17 partners** and **350 professionals** who provide strategic consultancy services to companies in all business sectors with operations aimed at the **Spanish and Portuguese speaking countries**.

It currently has offices in **Argentina, Brazil, Colombia, Chile, Ecuador, Spain, Mexico, Panama, Peru, Portugal** and the **Dominican Republic**. It also offers its services through affiliates in **the United States, Bolivia, Paraguay, Uruguay** and **Venezuela**.

Its international development has meant that in 2014 LLORENTE & CUENCA is 55th in the Global ranking of **the most important communication companies in the world**, as reflected in the annual Ranking published by The Holmes Report.

## CORPORATE MANAGEMENT

José Antonio Llorente  
Founding partner and Chairman  
jalorente@llorenteycuenca.com

Enrique González  
Partner and CFO  
egonzalez@llorenteycuenca.com

Jorge Cachinero  
Corporate Director for Innovation  
jcachinero@llorenteycuenca.com

## SPAIN AND PORTUGAL

Arturo Pinedo  
Partner and Managing Director  
apinedo@llorenteycuenca.com

Adolfo Corujo  
Partner and Managing Director  
acorujo@llorenteycuenca.com

### Madrid

Joan Navarro  
Partner and Vice-President of Public Affairs  
jnavarro@llorenteycuenca.com

Amalio Moratalla  
Partner and Senior Director  
amoratalla@llorenteycuenca.com

Juan Castellero  
Financial Director  
jcastillero@llorenteycuenca.com

Lagasca, 88 – planta 3  
28001 Madrid (Spain)  
Tel. +34 91 563 77 22

### Barcelona

María Cura  
Partner and Managing Director  
mcura@llorenteycuenca.com

Muntaner, 240-242, 1º-1ª  
08021 Barcelona (Spain)  
Tel. +34 93 217 22 17

### Lisbon

Carlos Matos  
Founding Partner and Managing Director  
cmatos@llorenteycuenca.com

Madalena Martins  
Founding Partner  
mmartins@llorenteycuenca.com

Rua do Fetal, 18  
2714-504 S. Pedro de Sintra (Portugal)  
Tel. + 351 21 923 97 00

## LATIN AMERICA

Alejandro Romero  
Partner and Latin American CEO  
aromero@llorenteycuenca.com

José Luis Di Girolamo  
Partner and Latin American CFO  
jldgirolamo@llorenteycuenca.com

Antonio Lois  
Regional Director of Human Resources  
alois@llorenteycuenca.com

### Bogota

María Esteve  
Managing Director  
mesteve@llorenteycuenca.com

Germán Jaramillo  
Chief Executive  
gjaramillo@llorenteycuenca.com

Carrera 14, # 94-44. Torre B – of. 501  
Bogota (Colombia)  
Tel. +57 1 7438000

### Buenos Aires

Pablo Abiad  
Partner and Managing Director  
pabiad@llorenteycuenca.com

Enrique Morad  
Chief Executive for the Southern Cone  
emorad@llorenteycuenca.com

Av. Corrientes 222, piso 8. C1043AAP  
Ciudad de Buenos Aires (Argentina)  
Tel. +54 11 5556 0700

### Lima

Luisa García  
Partner and CEO of the Andean Region  
lgarcia@llorenteycuenca.com

Cayetana Aljovin  
General Manager  
caljovin@llorenteycuenca.com

Av. Andrés Reyes 420, piso 7  
San Isidro. Lima (Peru)  
Tel. +51 1 2229491

### Mexico

Juan Rivera  
Partner and Managing Director  
jrivera@llorenteycuenca.com

Bosque de Radiatas # 22 – PH7  
05120 Bosques las Lomas (México D.F.)  
Tel. +52 55 52571084

## Panama

Javier Rosado  
Partner and Managing Director  
jrosado@llorenteycuenca.com

Avda. Samuel Lewis. Edificio Omega, piso 6  
Panama City (Panama)  
Tel. +507 206 5200

## Quito

Catherine Buelvas  
Managing Director  
cbuelvas@llorenteycuenca.com

Av. 12 de Octubre 1830 y Cordero.  
Edificio World Trade Center, Torre B, piso 11  
Distrito Metropolitano de Quito (Ecuador)  
Tel. +593 2 2565820

## Rio de Janeiro

Yeray Carretero  
Director  
ycarretero@llorenteycuenca.com

Rua da Assembleia, 10 – sala 1801  
Rio de Janeiro – RJ (Brazil)  
Tel. +55 21 3797 6400

## São Paulo

Juan Carlos Gozzer  
Managing Director  
jcgozzer@llorenteycuenca.com

Rua Oscar Freire, 379, CJ 111, Cerqueira César  
CEP 01426-001 São Paulo SP (Brazil)  
Tel. +55 11 3060 3390

## Santiago de Chile

Claudio Ramírez  
Partner and General Manager  
cramirez@llorenteycuenca.com

Avenida Vitacura 2939 Piso 10. Las Condes  
Santiago de Chile (Chile)  
Tel. +56 2 24315441

## Santo Domingo

Alejandra Pellerano  
Managing Director  
apellerano@llorenteycuenca.com

Avda. Abraham Lincoln  
Torre Ejecutiva Sonora, planta 7  
Santo Domingo (Dominican Republic)  
Tel. +1 8096161975



AMO is the leading global network of strategic and financial communications consultancies, with over 940 professional consultants and offices in more than 20 countries.

The network brings together local market leaders with unrivalled knowledge of financial markets and cross-border transactions in the key financial centers of Europe, Asia and the Americas.

Providing sophisticated communications counsel for M&A and capital market transactions, media relations, investor relations and corporate crises, our member firms have established relationships with many S&P 500, FTSE 100, DAX 30, SMI, CAC 40 and IBEX 35 companies.

[www.amo-global.com](http://www.amo-global.com)



d+i is a hub by LLORENTE & CUENCA, for Ideas, Analysis and Trends.

We live in a new macroeconomic and social context, and communication has to evolve.

d+i is a global combination of partnership and knowledge exchange, identifying, focusing and communicating new information models, from an independent perspective.

d+i is a constant ideas flow, looking to the future information and management trends.

Because nothing is black or white, there is something like d+i LLORENTE & CUENCA.

[www.dmasillorenteycuenca.com](http://www.dmasillorenteycuenca.com)

