

THE END OF A FAILED FOREIGN POLICY: THE U.S.-CUBA SYSTEM ON THE THRESHOLD OF A NEW ERA

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This brief analysis asks, “how will it work?” rather than the more common “how will it work out?” Since outcomes are not predetermined, the second question invites speculation, which can serve more or less legitimate political purposes. But from a social science point of view, the useful part of speculation will be contained in the assumptions and arguments about how things will work in the process. To the extent that this is actually explained, speculation about future scenarios can be helpful, yet it is not the goal of the present analysis. The major change mechanisms identified and explained are compatible with a range of outcomes.

U.S. President Barack Obama’s new Cuba policy announced in December 2014 marks the end of an era. This brief analysis explores what will be the central change mechanisms affecting Cuba as a half-century old U.S. foreign policy built around a strict economic embargo is about to be retired. The centerpiece of the analysis is a conceptualization of what in some ways may be an obvious dimension of Cuba’s relationship with the United States—so obvious it is often overlooked. The two countries form the elements of a U.S.-Cuba system, a system of crucial importance for Cuba and of minor importance for the United States. The U.S.-Cuba system is a political-economic system tying together two countries of unequal power. Since the 1959 Cuban Revolution, the relationship has been based on political confrontation and a U.S.

economic blockade or embargo. Before the revolution, the U.S.-Cuba system was similar to the dependency relationships of large parts of Latin America during the twentieth century, but particularly pronounced and extensive.

Cuba gained a considerable amount of political independence from the United States in the wake of the revolution by tying its political and economic fortunes to the Soviet Union and the Soviet-dominated economic bloc—another center-periphery system, albeit of a different kind. This strategy was relatively successful for three decades: the Cuban regime's existence was no longer directly threatened by U.S. military might, nor was the economic embargo particularly damaging to the Cuban economy—as it would become after the demise of the Soviet Union and its trading bloc in 1991-1992. What never changed, of course, was the island's geographical location, and thus its geopolitical reality. The U.S.-Cuba system regained some of its structural power over the Cuban regime as the country plunged into a deep economic crisis and lasting recession in the early 1990s. Yet to almost everyone's surprise, and unlike what had just happened in Eastern Europe, neither the communist regime collapsed nor was Fidel Castro's leadership challenged (Pickel 1998).

Over the past twenty years, the Cuban political economy has been transformed quite fundamentally. But it has been a transformation in a stable political context: domestic political stability in Cuba and stability in the basic quality of U.S.-Cuba relations. That Cuba never went the way of the Eastern European communist regimes has been linked by some observers to precisely the reality and effects of this frozen U.S.-Cuba relationship. The once-more internationally unrestrained U.S. threat to the Cuban regime since the early 1990s has clearly reinforced Cuban revolutionary nationalism—even if observers sharply disagree on the extent to

which national unity is primarily the product of regime oppression or of the actual legitimacy enjoyed by the Castro regime.

Since the early 1990s, consecutive U.S. administrations—busy exploiting their Cold War victory by intervening militarily and politically in other parts of the world—hoped that with the impending passing of the indispensable revolutionary leader, Fidel Castro, the regime would finally fold. Ambitious plans for that time were contained in a State Department report released in 2004, which assumed U.S. power would play a key role in the wholesale transformation of the country (Pickel 2008). But the regime produced its next surprise for the world when the ailing Fidel Castro stepped down in 2006, to be replaced by his relatively uncharismatic brother Raúl, a succession formalized in 2008. As a result, the “the death of the charismatic leader as the end of the regime” assumption lost much of its relevance. Raúl Castro has overseen the further institutionalization of the Party’s political renewal process, making the ruling organization and thus the Cuban state more immune to the vagaries of generational change. He has launched the most far-reaching economic reform project in the regime’s lifetime, aiming for a liberalized, partially private-sector-based, mixed economy.

The most surprising turn of events in recent times was presented to the world by U.S. President Obama, who in December 2014 ended (in principle) the half-century old policy of hostility and an uncompromising, confrontational approach when he resumed formal diplomatic relations with the Cuban regime. The comprehensive economic embargo, even further tightened by congressional legislation in 1996 (the Helms-Burton Act), has consistently and reliably failed during the past fifty years to bring down the Cuban regime. Not only has it failed in aiding regime collapse, but because it strengthens Cuban nationalism, it has contributed to the regime’s

stability and survival. Assuming the embargo ends in the near future in the context of a more open U.S. foreign policy, how will this affect the Cuban regime and its political economy?

The U.S.-Cuba System

The U.S.-Cuba system consists of two neighboring states. By calling it a “system,” we can look for systemic properties and dynamics that do not exist solely in its individual components. First, the U.S.-Cuba system has had a powerful internal political and economic boundary. Economically, the boundary has been almost impenetrable—largely on account of the U.S. embargo and related policies. Politically, the boundary has resembled the Iron Curtain and the Berlin Wall, with the Cuban regime insulating the island from flows of people and ideas from the U.S. Inadvertently, Cuban nationalism has been reinforced and fed by U.S. explicit and implicit aggression. The thus-strengthened nationalism has contributed to the astounding political stability of the Cuban regime and its rejection of serious institutional change. Note that it has not been the U.S.’s ongoing policy of political and economic confrontation that has brought about changes in Cuba’s political economy over the past twenty years. The pressures for change came from the collapsed Soviet bloc-Cuba system and the far-reaching economic and social consequences this had on Cuba’s political economy. The U.S. policy of confrontation contributed to the overall stability of Cuba’s political system by reinforcing Cuban nationalism and tying national identity firmly to the Communist regime. A half century of stability and stasis in the U.S.-Cuba system finally seems to be ending, marking the start of a period of instability and change that will come as the system’s tightly sealed internal political and economic boundaries become more porous and penetrable.ⁱ

Reflecting the immense political and economic power disparity between the two countries, Obama's new policy is of minor significance for the United States both politically and economically. For Cuba, on the other hand, the end of the embargo and the potential new flow of commerce, capital, technology, and people will be of great, indeed existential, significance. With the prospect of lifting U.S. economic sanctions, the U.S.-Cuba system is clearly entering into a new stage that will primarily affect the working of the Cuban side of the system: the Cuban political economy of postcommunist transformation, the domestic political system, and the nation's response to actual and potential changes in people's economic opportunities and life chances. Not only was the embargo crucial in shaping the past, but in the very process of being dismantled, it could once again define the basic properties of the U.S.-Cuba system.

Of course, the type of policies and negotiating approaches adopted by the United States will matter for Cuba's transformation process. But the major change mechanisms operating in the system will not be strongly affected by specific U.S. policies. In the negotiations over a new economic relationship, the U.S. will demand far-reaching economic liberalization in Cuba. It will insist as well on political liberalization in return for the lifting of economic sanctions, thus directly threatening the future of the Communist regime. The Cuban government will be willing to negotiate selective economic liberalization while resisting any calls for political liberalization. "Economic opening" and "political opening" refer to processes, whereas "economic liberalization" and "political liberalization" more narrowly denote government policies. Whatever the specific outcomes of future negotiations, both economic opening (increased flows of commerce, capital, technology, and people) and political opening (increased flows of political and civil society actors, cultural content, and propaganda) will be the two most fundamental mechanisms driving changes in Cuba. How will these two mechanisms play out in Cuba's

political economy, how will they affect the nation, and perhaps most importantly, how will they affect Cuba's political system? In considering these questions, we will also have an opportunity to identify some other major social mechanisms at work in Cuban domestic systems.

Economic Opening: “New” Economic Actors in the Cuban Political Economy

Economic opening, or the increased flow of commerce, capital, technology, and people, is an outcome desired by most Cubans. The government will attempt to maintain control over the new flows, if the embargo is finally lifted, opening the door to a flood of trade and investment. Regardless of the extent to which it succeeds in calibrating these flows, economic opening means new opportunities for Cubans, and a range of unpredictable consequences for Cuba's internal systems. Those Cubans who will be able to take advantage of emerging opportunities will be referred to here as “‘new’ Cuban actors.” They will develop strong interests in speeding up and broadening economic liberalization policies. Such “new” Cuban actors can be expected to emerge in all sectors of society, not just in the economy. The state apparatus, the military, and the Party as institutions will provide opportunities for well-placed members to convert their knowledge and authority into economic opportunity, whether as official representatives of their institutions or in a private capacity, alone or in cooperation with foreign partners, legally or illegally. They will form a constituency of strongly reformist forces. They will be opposed by established conservative, reform-critical forces.

The central question is whether the Party will be able to integrate this new constituency into the political system during the economic transformation process—something that was accomplished by the Chinese and Vietnamese Communist Parties during their economic transformations. Should the Party fail in this task, the new Cuban actors would become a

permanent threat to the regime and an independent force for political opening. Remaining strongly committed to regime change, the U.S. can be counted on to support from the start any Cuban actors with such an agenda. But the economic opening will not only activate the new economic actor mechanism (a political-economic mechanism). It will also play out in the population at large through a psychosocial mechanism, i.e. that of rising expectations. Given the symbolic significance of the U.S. embargo in Cuban history, the prospect of its lifting will raise the hopes of Cubans for a much-improved economic future. This will translate into potential support for the government and its reform program—support crucial for the Party since it will directly affect the legitimacy of the regime—or it may become a major source of popular discontent. Facilitating the political integration of the new constituency and managing rising popular expectations will be central political challenges for the Party, at the same time as they provide political opportunities for internal and external regime opponents.

The Nationalizing Mechanism: The Struggle for the Cuban Nation

Until now, the media coverage of public debate on national issues has been controlled by the Communist Party, which has managed to shield the Cuban public sphere from U.S. interference. Given the U.S.'s radical anti-regime policy, this closing of the Cuban public sphere was not only justifiable, but could also be presented as a matter of national survival. Now it will come under growing pressure, as the United States will demand political liberalization in return for economic cooperation. Whether, to what extent, and in what forms political opening will occur is perhaps the single most important question for Cuba's future. Powerful mechanisms will come into play in any such political opening. We can distinguish those mechanisms coming from above and from below. A *political opening from above* would expand the range of political

views that could be represented within the Party. More radically, it might tolerate or legalize certain political and media organizations outside the Party. Some of this could happen as the result of policy, or it may be the outcome of spontaneous or unintended developments. A *political opening from below* would be the emergence of alternative national discourses, movements, and political and media groups. Some of this opening could once again be spontaneous, grassroots activity, while other actions would be financed and directed from the outside, some of it no doubt covertly. The U.S. will strongly pressure the Cuban government to open up its media environment to the outside world, in particular to U.S. corporate media and government propaganda. Political opening to the outside might also entail the admission of foreign-based NGOs.

The “nationalizing mechanism” refers to cultural processes related to identities, national projects and visions, historical interpretations, national discourses, models, and ideals—many of which are shared by Cubans as members of social systems ranging from party organizations, schools, and workplaces to families and informal networks. The five-decade long U.S. embargo has played a major role in the Cuban nationalizing mechanism, helping to unify the population behind the Communist regime. The prospective lifting of the embargo is already playing a major role in this respect, inspiring the national imagination, raising fears, hopes, and expectations for the country’s future. The conditions under which the national debate occurs will be crucial for the transformation process. The mechanism of political opening will shape and affect those conditions. It may produce a political opening on a modest scale, maintaining most of the restrictions in place today. Or it may move towards the radical political liberalization desired by the United States, which would lead to an increasing role for U.S.-funded NGOs, U.S. corporate media, and hopes for a future Cuba that reflects American national ideology. The latter

mechanism would include a neoliberal economic agenda and a multiparty system, and essentially result in the overthrow of the Cuban regime.

While speculation about likely scenarios and desirable outcomes is sure to fill pages upon pages of commentary and analysis, this essay has limited itself to identifying and explaining the crucial systems and mechanisms central to the transformation process, which are compatible with a variety of outcomes. The current changes originate from the U.S.-Cuba system that ties together two unequal countries in a permanent relationship and has been characterized by a powerful internal boundary for half a century. Erected by the United States after the Cuban revolution and designed to bring down the new regime, the system has become a strong source for Cuban regime stability. The fact that the system's internal boundary is about to become more penetrable and open poses a serious threat to that stability. Economic opening, political opening, and nationalism are the three key change mechanisms in the Cuban transformation. Specifically, the emergence of new actors, rising popular expectations, three modes of political opening, as well as the conditions of the public sphere under which the future of the Cuban nation will be debated, are major change mechanisms that will be at work as the still-open historical process unfolds.

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ⁱ It should be noted that with the legalization of the sale of agricultural products in 2000 and the growth of Cuban American travel and remittances since 2009, this process had already begun.

References

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