

CUBA STUDY GROUP

A MEMO TO  
PRESIDENT  
TRUMP  
AND HIS  
INCOMING  
ADMINISTRATION

U.S. POLICY TOWARD  
CUBA: THE CASE  
FOR ENGAGEMENT

*in collaboration with*



**O**n December 17, 2014, the United States and Cuba began the long process of restoring diplomatic, economic, and political relations after fifty-three years of hostilities and isolation. Strategic modifications in travel and commercial regulations, coupled with government-to-government talks on a host of practical matters, have since brought about significant improvements in our dealings with a traditional adversary.

The Trump administration will define its own approach to this and other complex foreign policy matters as it seeks to build an agenda that serves U.S. priorities. In doing so, we strongly encourage the administration to defer major policy shifts until it has carefully considered how U.S. interests would be best served in its relations with Cuba. We are confident that a close evaluation will confirm that constructive engagement—including the reduction of travel and commercial barriers—is the best strategy for supporting the Cuban people and boosting U.S. jobs and exports. Change inside Cuba on many metrics remains slow. Nonetheless, further progress toward normalization stands the best chance of improving security just off U.S. shores, reducing irregular migration, enhancing the management of U.S. borders, and encouraging continued, positive evolution inside the island.

**Therefore, we, as individuals and representatives of diverse organizations with a long-standing, non-partisan interest in U.S.-Cuban affairs, call on President Trump to conduct a comprehensive review of the progress made in U.S.-Cuba relations.**

To reflexively reverse course could have pernicious consequences for U.S. economic and foreign policy interests and the prospects of evolutionary change in Cuba. Past policies of isolation did not elicit internal reforms or lead to political opening. Furthermore, history shows that the Cuban people, not the government, tend to be the victims of state-to-state confrontation. Particularly in the wake of Fidel Castro's long-expected, but symbolically potent death, the potential negative repercussions of a dramatic about-face—the danger of a reciprocal Cuban internal political and economic retrenchment—are all too real. The Trump administration's Cuba policy should be based on seizing opportunities to further advance vital U.S. national interests and carefully analyzing strategic risks. Important considerations include:

## **GAINS FROM ENGAGEMENT**

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- **U.S. Job Creation.** Cuba imports 80% of its food, including millions of tons annually from U.S. agricultural states. Further engagement would allow the United States to gain greater market share from economic competitors such as China, Vietnam, and Brazil and employ thousands of U.S. workers in agribusiness, infrastructure, tech, and tourism.
- **Cuban-American support.** Lifting restrictions on remittances and travel allowed Cuban-Americans to directly help their families in Cuba buy food and basic household goods, as well as provide critical seed funding for the island's nascent private sector.
- **Cuba's burgeoning entrepreneurial sector.** The entrepreneurial sector has emerged as a significant factor in debates inside Cuba about economic and political reforms. In just a few years, it has grown to account for 30% of the country's workforce. U.S. travelers to Cuba have become the principal source of revenue for many small businesses. By freeing Cuban-Americans, and later, all U.S. citizens to remit funds, the U.S. has become the source for 70% to 80% of the sector's start-up and growth capital.
- **Greater access to information.** Internet access is growing, and continued engagement can further contribute to connectivity and the development of civil society in Cuba.

## **UNNECESSARY RISKS OF DISENGAGEMENT**

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- **National Security.** Collaboration with Cuba on counterterrorism, counter-narcotics, and law enforcement helps protect the U.S. homeland. A pivot away from normalization could hurt U.S. national security and cause Cuba to turn more heavily toward strategic rivals such as China, Russia, and Iran.
- **Migration.** The past two years have witnessed the highest annual numbers of Cubans migrating to the U.S. in thirty-five years as they seek greater opportunities and fear the repeal of the Cuban Adjustment Act. The United States must cooperate with Cuba to prevent irregular migration and ensure its borders are secure, or risk the uncontrolled arrival of tens of thousands more Cuban migrants, as occurred in the 1980s and 1990s.

- **Regional Affairs.** Prior to 2014, Cuba was a thorn in the side of U.S.-Latin American relations. By pursuing policies of engagement, the United States has undercut the view that it is Cuba's enemy. This environment has made collaboration possible on important transnational issues. To reverse the clock would make the United States once again the "bad guy" in hemispheric affairs, precisely at a time when governments in the region are beginning to view the United States and Cuba outside of a "them or us" framework.
- **Human Rights.** Cubans now have greater freedoms to travel, buy and sell property, and access the internet. Cuba's human rights record was worse in the long era before normalization began. It is now subject to discussion in regular dialogues between U.S. and Cuban officials, and those discussions should continue.

## **FUTURE OPPORTUNITIES AND ISSUES**

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- **U.S. Claims.** Nearly 6,000 certified claims for expropriated U.S. properties await compensation. Diplomatic discussions of these claims have begun, and they are most likely to produce positive results in an environment of improving relations. Separately, engagement increases the odds that the Cuban government may eventually establish legal mechanisms, including market-driven transactions, to facilitate the resolution of claims on properties previously owned by members of the Cuban diaspora and their families.
- **Cuba's Leadership Transition.** In November 2016, Fidel Castro died, and President Raúl Castro will step down as head of state when his term ends in February 2018. In a new leadership scenario, a revival of bilateral tensions could tilt the scales toward the internal, ideological hardline. It is clearly best for the United States to remain engaged during this period of transition rather than revert to failed policies of isolation and conflict.

**A** U.S. policy of engagement has strong support from the Cuban people. Cuba's own progress on important domestic economic and political issues remains uneven, and despite the growth of U.S. travel ties, the island's economy recently slipped into recession. Still, the new bilateral climate has benefitted many Cubans' lives, and it has helped create favorable conditions for those inside Cuba who want to see their country evolve. At this delicate moment in Cuba's road to reform, we urge President Trump to implement an engagement strategy while also taking a fresh look at the effectiveness of current U.S. policy tools. U.S. interests and the just aspirations of all Cubans for a more democratic, prosperous future are best served by a normalization policy of increased economic openness and creative diplomacy.

Respectfully,

Cuba Study Group

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U.S.-Cuba Business Council

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