

REPORT ON THE CUBA TRANSITION CONFERENCE

April 2, 2007 – The Brookings Institution

The Brookings Institution and the Cuba Study Group held a “Focus on Cuba” event on April 2 with a group of diplomats, academics, representatives of non-governmental organizations, and Cuban-American activists. The day’s events consisted of three private sessions, a lunch discussion, and a public meeting which featured the release of a poll on the views of Cuban-Americans conducted by the Cuban Research Institute, Florida International University; the eighth such poll conducted since 1991. Below are a collection of the ideas shared and topics discussed throughout the day-long event. The report seeks to reflect accurately the tone and nature of the discussion from the perspective of the conference co-chairs, but it has not been reviewed by conference participants. The conference was co-chaired by Carlos Pascual, Vice President and Director of Foreign Policy Studies at the Brookings Institution, and Vicki Huddleston, Non-Resident Fellow at the Brookings Institution and former chief of mission at the US Interests Section in Cuba. The lunch discussion and private sessions were all held under the Chatham House Rule; thus there is no direct attribution of comments.

An Unstable Equilibrium

Fidel has held Cuba together through his personal charisma, and by exhorting people to suffer one more hardship for the sake of the revolution. If Fidel, the holder of this unstable equilibrium, is removed there will be movement and transition – as has occurred in other parts of the world – with an unknown outcome. The transition from Fidel to Raul has been managed smoothly to date, but uncertainty will increase as potential successors to Raul – who himself is a transitional figure – grapple for ways to prove their legitimacy and to maintain internal consensus in the absence of Fidel Castro.

One metaphor offered in the discussion was that Cuba’s government with Raul at the helm and Fidel hovering over him is like a boat on full steam tied

to the dock, and the dock is Fidel. We can’t know where the boat is going until the cord is cut. Another participant put it this way: “I don’t think that we have a measure of the psychological vacuum that the loss of Fidel will create because he is still around. But I for one have thought that that could very well hold the key for whatever else might happen in Cuba.”

In most transitions there is a right and a left and a center and usually one tends to see the leader at the center. But Fidel Castro is not at the center and that is why some participants envisioned a power struggle perhaps triggered when Fidel leaves power or by Raul’s inability to hold things together.

The political elite are even now trying to figure out how to make decisions without him, how to maintain consensus,

or more importantly, how to manage conflict among themselves. Historically, Fidel was always the ultimate decision maker. The regime's legitimacy is tied up with Fidel, and no one can predict how much legitimacy will remain when he dies. But we do know that each potential leader will be looking for ways to establish his – and the new government's – legitimacy.

The Challenges Ahead

Raul and his successor will face the expectation of improving opportunities for Cuba's youth and Afro-Cubans. These expectations are compounded by the fact that 2.2 million Cubans born after 1991 have no connection to the Revolution. While limited economic reform seems the most obvious thing that the regime can do to address the pent-up desire for change, the regime will be wary about whether a process of change could get out of hand and roll away from them.

Cuba's new leaders will have to deal with the general dissatisfaction of its citizens. A Gallop Poll released last December showed that forty percent of Cubans oppose their government, and forty-seven percent said it has their support. Seventy-five percent of Cubans said that they didn't have enough freedom to decide what to do with their lives. Such levels of dissatisfaction are high under any circumstance and particularly high in an authoritarian society where fear inevitably skews responses.

Venezuela's annual \$2 billion in subsidies to Cuba will affect the viability of a new regime and the smoothness of any transition. Both Raul Castro and Hugo Chavez are acutely aware of Cuba's dependency. Lacking Fidel's

charisma and stature, Raul may be prey to stronger external influence. Chavez retains visions of being Fidel's revolutionary heir. Cuba's dependency on Venezuela limits the options of a future Cuban leader while creating certain resentment among Cubans. One participant said that "no one thinks they undertook 48 years of Revolution so they could send doctors to Chavez." Whether that resentment becomes an impetus for change remains to be seen.

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Cuba's economy is growing five percent annually. External subsidies and new resources come into the top of the system – through the party and mechanisms the state directly controls – and thus reinforce the government's control over society. Government control is further enhanced because remittances from Cuban-Americans – coming into the bottom of the system – have been reduced by U.S. law since 2004, taking away one of the few sources individuals had for independent income.

Cuba's two strongest institutions, the military/security forces and the Communist party, will be key in determining the success or failure of Raul Castro and even Cuba's next leader. There are factions in the ranks of senior party members who identify by history or by pronouncement with one brother or the other. These potential Fidelistas and Raulistas could turn into

Migration: ‘Push’ and ‘Pull’ Scenarios

In 2006, the United States Coast Guard (USCG) interdicted and returned to Cuba about 47 percent of the 7,000 Cubans who attempted to cross the Florida Straits, up from 6,000 attempting migrants last year. There was no increase in migrants when Fidel Castro temporarily handed over power to his brother Raul at the end of July 2006.

The 1980 Mariel mass migration is considered a “push” migration because the Cuban government encouraged the migration. A “pull” migration is one in which United States polices encourage Cubans to migrate.

The Coast Guard is generally successful in apprehending “go slow” vessels that mostly carry young men with no resources and no hope of a future in Cuba. The USCG is considerably less successful in stopping human trafficking in “go fast” vessels that are paid for by the potential migrants or by their family or friends in the United States.

Cubans picked up at sea are returned to the shallow water port of Cabanas. In the event of a mass migration the Cuban government would have to designate a deepwater port that could handle a larger number of returnees or they would have to be held at sea or at Guantanamo Base. Cubans picked up at sea must be interviewed by USG immigration authorities prior to being returned to Cuba.

In the event of a mass migration, the USCG goal would be to interdict 95% of the potential migrants, an optimistic figure given the current 47% interdiction rate. But missing even five percent of the potential hundreds of thousands that some claim could flee would mean that thousands would reach the US.

Whether migrants picked up at sea are returned to Cuba would determine the strength of the “pull” factor. As for the “push” factor, some participants said that Raul Castro would not permit a mass migration because doing so would demonstrate that he is not in control.

hard factions should party cohesion split. Within the military, competing business interests under military control could become a point of fracture. Internal rivalries would make it harder for a future leader to manage and could spark more authoritarian options. Such moments of instability would also be the point when new and more reform-minded leaders would need to judge whether to come forward and exploit the split in the cohesion of the party. Such prospects for instability underscore the importance of understanding the points of potential fracture and individuals who might emerge as leaders. That requires contact.

While some observers hope to replace or purge the armed forces and

intelligence services, doing so could create yet another set of problems linked to the structure of organized crime in the hemisphere. In other cases, such as the Soviet Union or East Germany, the collapse of command economies has been accompanied by the bleeding of military and intelligence services into organized crime, providing an adrenalin boost to how these groups operate. Fresh, original, and careful thinking is needed. If Cuba’s security structures were to spin out of control, the hemisphere might face perfect storm scenarios of huge migration flows, a crumbling authoritarian regime seeking to re-exert control, and organized crime establishing a base in the vacuum.

Cuba Needs a Soft Power Transformation

Cuba's 11.2 million inhabitants – 62 percent of whom are non-white (largely of mixed and Afro-Cuban origin) – are a disempowered people. They are not people who actively think of changing the country by doing X, Y, and Z, because they aren't aware of the models. Yet, Cuba has changed so much over the last half century that – as one participant warned – if the United States or Cuban-Americans have in mind restoring Cuba to the 1950's, that in itself would cause a counter-revolution.

Two perspectives on transition are provoking a “big bang” or “engagement”. The “big bang” approach has underpinned the U.S. policy of the embargo and of isolating Cuba with the intent to undermine the regime and create rapid change. Yet for 45 years this approach has produced little result. In part, this frustration and reflection on experience in other political transitions has led to interest in exploring selective engagement in support of the Cuban people in order to foster conditions conducive to reform.

Some believe that a further argument for adopting – or at least giving more attention to – the “engagement” approach is that the consequences of the “big bang” theory of transition could be disastrous for Cuba for a very long time if a transition occurs suddenly in an unprepared Cuban society and allows a new form of criminal oligarchy to take root. Whether or not that might occur, the current trend line suggests that awaiting a “big bang” will only entrench the status quo. The tools of isolation have been used, and there are few others short of military action to bring to bear.

One participant said that once you understand these dynamics, you can see why “it is time for those who have for so long advocated isolation to step a little bit aside and give other strategies a chance.” At a minimum we need to deal with Cuba in multiple scenarios because at the end of the day no one knows what's going to happen.

“The US rather than trying to influence the outcome seems determined to wait... But changes in policy must begin, and must begin now.”

Forging a New Strategy

Isolation by the Cuban government and by the United States has created a country largely sealed off to outside information. In 1998, the Clinton Administration began a series of “New Measures” designed to open up Cuba by getting information into the country. Until 2003, the Bush Administration continued and enhanced the United States Interests Section's (USINT) “Outreach Program” and supported “people-to-people” and Cuban-American travel to Cuba, as well as travel by Cubans to the United States (see box on next page).

If the United States Government were to support a return to a policy of influencing Cuba's future through engagement, it would need to:

- maintain a good understanding of the cultural, political, economic and historic dynamics of the nation;
- engage Cuban governing elites and the public to create the

The Outreach Program

The 1998-2002 Outreach Program was created to empower the Cuban people, to build civil society, and to help human rights groups get their voices heard. The United States Interests Section (USINT) in Havana supported independent journalists, librarians, human rights activists, and people throughout Cuba by distributing books of all types. Our diplomats encouraged networking among independent journalists, artists, and small business people by bringing them together in an environment where they could share experiences and learn from each other. Along with books USINT distributed AM/FM shortwave radios, allowing Cubans access to radio broadcasts from beyond the island. USINT provided access to the Internet and reinforced the activities of human rights activists by connecting them with international journalists.

“People-to-People” programs supported renovation of religious institutions, care for the elderly, distribution of medicines, and brought young people together to exchange ideas.

USINT increased the issuance of visas to Cubans – to about 40,000 from 10,000 – so that Cubans could visit their children and grandchildren in the U.S. and so that Americans could see and learn about Cuba’s culture. USINT expanded cooperation on issues of mutual interest such as counter narcotics, migration, crime and to a lesser extent on the environment.

When the U.S. terminated more liberal travel and remittance policies in 2004, the Cuban government jailed the human rights activists and curtailed the political space that had contributed to the 2002 “Cuban Spring” when 30,000 Cubans petitioned the National Assembly for a referendum on the Cuban Constitution.

- “political space” to be able to reach out further to Cuban society;
- work with Cuban-Americans on the elements of and rationale for the strategy; and
 - develop allies who broadly support our efforts.

Encouraging internal reform is a long road but “the risk of doing nothing is far worse than the risk of changing.” Yet, at this critical moment the United States Government is at the high water mark of a hard line isolationist policy that is increasingly hard to justify because the end and the means are not connected. The principal elements of the current strategy

are continuation of the embargo, reduced contact and remittances, radio and TV Marti broadcasting, aid to dissidents, and diplomatic engagement with other countries around a strategy of isolation.

Castro’s continuation in power is its own statement about the effectiveness of current strategy. With a change imminent in Fidel’s leadership, the question is whether more of the same makes sense.

Key considerations:

- The embargo has served as a rallying point for Cubans under hardship.
- Cuba has had no alternative to its dependence on Venezuela to

Lessons from the Soviet Bloc:

- Macroeconomic stabilization is essential, but it must be achieved quickly by liberalizing prices and unifying the exchange rate.
- Failure to liberalize prices and to allow markets to allocate resources fuels corruption.
- State budgets usually collapse as the state exits the economy and before tax collection can compensate, requiring external support for social programs and basic services.
- Private enterprises do much better – regardless of how the privatization was undertaken – than communist public enterprises.
- Policies must be acceptable to the local population. East Germany struggled because there was no buy-in by the local population.
- Foreign assistance while useful will not prevent political and/or economic failure if governments are not committed to sound policies.
- A new elite should be trained through massive educational exchanges.
- Empower the local population. Successful transitions cannot be imposed.
- Distribute property to those who live in apartments and houses and to those who till the land. East Germany returned property to West Germans and others, thereby disenfranchising the local population.
- Policy models should come from individual experts advising host governments, not from another government imposing its policy prescriptions.

survive under current circumstances.

- Cuba lost \$4 billion in annual subsidies in 1992 after the Soviet collapse, yet still adapted.
- Reduced travel and contact is limiting our ability to understand the dynamics in Cuban society.
- Most recent and successful political transformations have come from within. The current strategy puts the U.S. in confrontation with Cuba in ways that limit our capacity to reach out more broadly.

The Politics of Engagement

Cuba is only 90 miles off of U.S. shores, yet the animosity has been profoundly personalized. Sometimes, of

course, the animosity has been uniquely dangerous. America's Cold War with Cuba has actually lasted longer than its Cold War with Cuba's long-time patron the Soviet Union. The one time that the cold war between the United States and the Soviet Union nearly turned into a hot war, nearly went nuclear, was over the issue of Cuba.

One participant observed that engagement and opposition to an authoritarian regime need not be contradictory. Ronald Reagan called on Mikhail Gorbachev to “tear down that wall,” yet he also supported diplomatic engagement with the USSR, education and cultural exchanges, and massive agricultural sales. Liberalization of travel and remittances may be carried out with the objective of promoting change, not sustaining the status quo.

Another participant argued that engagement must be kept in perspective. While President Reagan reached out in many ways to the Russian people, we shouldn't forget that he also wanted an end to the Soviet regime. He did not want to make it more efficient and he did not want to extend its life; rather he wanted to have it replaced, and so he used every tool in his toolbox to do that.

Other participants argued that the goal of replacing the regime in its entirety is impractical. The United States does not have the capacity to manage regime change, and Cubans do not support this option. Cubans will hang onto their “foundational myth” of the Cuban revolution, rather like the Mexican revolution. Everybody believes this revolutionary myth in Mexico, but in fact everyone knows that Mexico today is quite different from what it was in 1920. In 40, 50, and 60 years, there will still be this foundational myth of the Cuban revolution, but Cuba will be a very different country than it is today.

Perhaps the way ahead is a dialogue with the Cuban government and the Cuban people. Cubans do not want violence nor do they want a plan imposed from the outside, but they wouldn't mind having know-how and investment. Particularly the poor will want to keep universal free education and health care, but see them improve. A successful transition in Cuba has to take into account the hopes and fears of the Cuban people. The international community should be part of the strategy of strategically engaging Cuba as it goes through transition. During the 1962 Missile Crisis, the Organization of American States (OAS) supported the United States Government in walking all of us back from the precipice. Today when

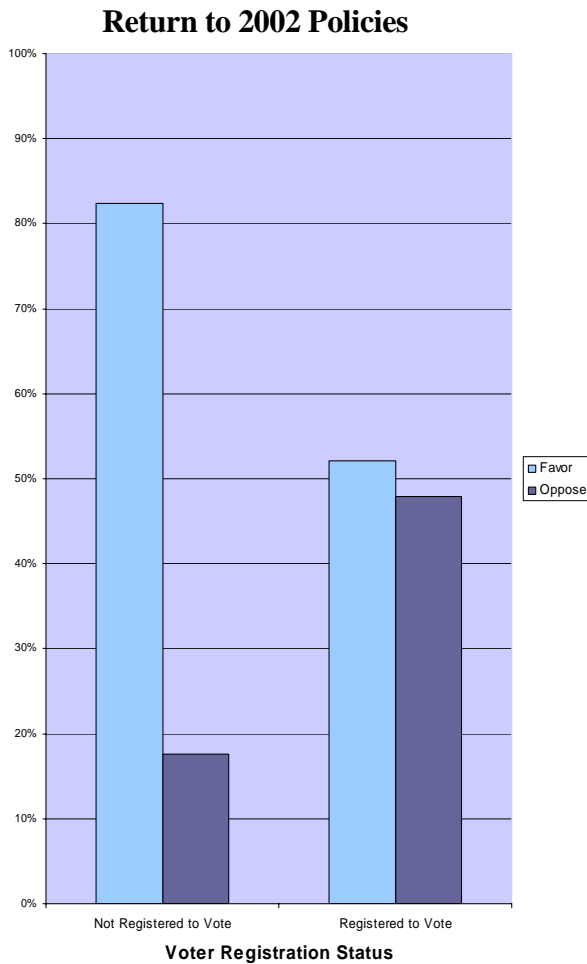
Cuba is on the cusp of change, the OAS should begin a dialogue with Cuba, not to get Cuba back into the OAS, but rather to help ensure a peaceful and stable transition.

In the mid-1970s under the Ford administration, a new consensus within the U.S. foreign policy community emerged around Cuba. It was in that context that the United States gave the green light to individual members of the OAS to restore diplomatic relations with

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Cuba, and so it happened. Today, rather than having the OAS and other countries play a positive role, the United States seeks to curtail their engagement. This foregoes an opportunity to help create some political space within Cuba that might facilitate outreach to change-oriented Cubans. It also makes it more difficult to be able to understand and influence potential successors to Fidel.

With Fidel's inevitable departure imminent, the international community cannot afford to stand idly by as the most significant opportunity for change in Cuba arises since Fidel's coming to power in 1959. One participant observed, “You would not have the same policies toward Breshnev and Gorbachev. That would have foregone an historic opportunity.” If the United States does not modify its policies, Latin America and the main European actors may forge an independent multilateral position.



Return to 2002 Policies

For those who are registered to vote, 48 percent are opposed to more liberal travel and remittance policies in place until 2003, but 52 percent are in favor. For policy makers considering the politics of a more liberal stance on Cuba along these lines, there is little difference among registered voters. Hence, the only downside to returning to policies of greater liberalization of travel and remittances may be in the intensity of the groups who oppose it. Taking a longer perspective, 80% of those who are unregistered to vote, favor going back to the 2002 practices. Trends suggest these individuals will register when they become eligible.

*Cuban Research Institute, Florida International University March 2007 Poll. Answer to question, “Would you favor or oppose changing current United States government policy towards Cuba by returning to the policies in place in the first years of the Bush administration until 2003, which were more liberal on family visits, humanitarian and financial support, and allowing more licensed travelers?”

The Role of the Cuban-American Community

Cuban-Americans are beginning to understand that people empowerment is a major source of change in every single transition that has taken place in the world, and that people empowerment does not take place in the absence of resources and contact with the outside world.

The Cuban-American community is no longer the major obstacle to any change in USG policy on Cuba; rather,

policy is now held hostage by a small segment of the community. Today the end goal of most Cuban-Americans is a Cuba that is democratic, in which Cubans have a choice about their future. At the same time, Cuban-Americans want a policy that is more effective and more realistic.

The only way to change the policy is for the majority of Cuban-Americans to make sure that politicians – starting with the President, but going to Presidential candidates from the parties – understand

that they have a new strategy, which is to create conditions around which Cuba can change positively and constructively. Ideas that would further a more constructive approach among Cuban-Americans include:

- Reach out to the under-represented minority leadership in the Cuban-American community so that the Cuban-American community has greater relevance to Cuba's mixed and black communities.
- Consider how to broker reconciliation, possibly through a total amnesty among Cuban-Americans for informers, exiled militants, snitches, and 'chivatos' because informing is all too common in Cuba, and it's been a nasty cultural import into Miami.
- End the politics of vengeance within the community. There is no greater master at vengeance than Fidel Castro and Cuban-Americans only hurt themselves by carrying on the tradition.
- Drop the politics of personality associated with leading Cuban-American families. It is time for more open dialogue.

Changing the Cuban System

The system is far less coherent in 2007 than it was in the '70s and '80s when the Cuban people knew what they were doing. Back then there was a sense of equality and a sense of dynamism within the Soviet context, but by the early 2000s, nobody really knew what to expect; the system had become increasingly inconsistent. For example: Cubans are educated but internet access is extremely limited; Cuba is open to tourism, but with a bizarre apartheid

system, in which Cubans cannot stay or dine at hotels reserved for foreign tourists; and the Communist Party – a force to be reckoned with in any transition – hasn't met in Congress since 1997. Fidel banned the Beatles, and then he erected a statue of John Lennon. Havana is the only city in the world with a Lenin Park and a Lennon Park, side by side. But Cuba is not like North Korea because the former values international opinion. It is a country that likes to be loved. Cuba's leaders don't like surprises, and they don't like to be challenged. They like to have predictability. Given these traits, dialogue based on conditionality might be a fruitful approach. Cuba must accept certain rules and regulations that apply to international relations.

For its part, the United States should replace its policy of isolation, confrontation and sanctions with a new message that tells the people in power that they do not have to fear change; that shows the Cuban people that the United States will help to empower them economically and on a knowledge basis; and that says to all sides there must be reconciliation among all Cubans. Cubans on the island should not fear their brothers and sisters in exile. Here is what might be done:

- Engage critically with the Cuban government, insisting the Cuban government meet international standards.
- Help Cubans establish a vision of what they themselves can create. It's not a contradiction in terms to have an activist foreign policy that helps others build their own vision of how to shape the future.
- Create conditions around which the Cuban people can carry out

change. When people on the island begin to have rising expectations of change then change becomes possible.

- Press for human rights--but engage and reward change if the regime reforms.

This is the moment to seize the opportunity. Not the day after Fidel dies, but today. As long as there is no pressure from inside, and no pressure from outside, there is not going to be any substantial change because the objective of Raul and the hierarchy is to hold onto power.

“Be careful of conditionality because Cuba’s leaders aren’t going to sign onto a policy that intends the extinction of their government.”

Even conditionality has its drawbacks. Information flows that are in our own interests – and those of the Cuban people – are not necessarily in the interest of the Cuban government. “Be careful of conditionality because Cuba’s leaders aren’t going to sign onto a policy that intends the extinction of their government. Engagement that is in our interest – be it on migration or counter-narcotics – should not be conditional as long as it is in our interest.”

Very little time for action remains. USG policy should change before the next Presidential election. Fidel’s eventual death presents the most significant opportunity for change within Cuba and in US-Cuban relations since 1959. We should not miss the opportunity. A policy shift may be easier for a Democratic Presidential candidate than for a Republican

candidate. Still, the political risk in having a more rational approach to Cuba for a potential Republican candidate is not anywhere near as high as it may have been a few years ago. But it may not be easy to persuade the candidates because U.S. Presidential campaign rhetoric in the recent past has resulted in greater isolation, as in the Cuban Democracy Act of 1992 and the Cuban Liberty and Democratic Solidarity (Helms-Burton) Act of 1996.

Summary and Conclusions

We face opportunities and challenges – and many policy conundrums. If we talk about a democratic, market-oriented society that operates on the basis of the rule of law, where Cubans have an opportunity to shape their own future, by definition this means to the leadership of Cuba “regime change.” Yet, in order for democracy to succeed, there must be the political space for it to grow from within. To try to impose it is to fail.

In effect, we are advocating regime change as a policy that can and should grow from within. To achieve this, the United States will have to change its policy orientation with the support of the Cuban-American community. In turn, the Cuban government will become wary the minute our government begins pressing for engagement as a means of achieving an open and democratic society.

The point was made frequently about Castro's dominant role in Cuba. When that dominance eventually ends, it will create new dynamics for change. We don’t know what the results will be, but we need to prepare for winners and losers. When centrally controlled political and economic systems are pulled apart, opportunities for corruption and gain open up. We must understand

who will profit, who might become spoilers in the process, and their motivations.

Stability and instability revolve around Cuba's \$2 billion annual oil subsidy from Venezuela. But if the economy collapses, not only does the regime become vulnerable, so too does the United States to a mass migration. In every transition around the world, budgets have collapsed, deficits have been enormous, there have been massive problems in exchange-rate management, and there have been huge issues with the elimination of subsidies. We should not miss this opportunity to prepare before the crises occur.

We have seen in other societies that the most vulnerable groups are usually the ones that most fear change because they believe it will bring a loss of subsidies and support. In this light, we need to understand better the Afro-Cuban population and Cuba's youth.

Once the transition is underway jobs are going to be critical. Everybody cares about having a job. And thinking about what can be done in order to be able to provide a foundation for employment is key. Micro-enterprise development can be a radical, transforming factor. Because private enterprise breaks the link between the state and the economy, it gives people a different sense of freedom, and a new capacity for political maneuver.

To promote democracy and respect for human rights we need to engage the Cuban government even as we provide information and assistance to the Cuban people that will give them a better understanding of the choices they must face so that they can shape policies for a future government.

The great majority of Cuban-Americans, as indicated in the recent

Florida International University poll, supports human rights activists and dissidents as well as improving the lives of the Cuban people. But if the Cuban government sees such support as part of a policy of regime change how can they – the dissidents and a growing civil society – operate effectively?

Contradictory as it may seem, effective support for human rights demands contact with the Cuban government. The United States needs to consider how to create the space for unequivocal opposition – like Reagan's "Tear down this wall" – yet at the same time conduct a respectful relationship.

Perhaps minimizing the role of personalities in Cuba and Miami will help. In both Cuba's politics and in the politics about Cuba in the United States, too much is based not so much on political parties or ideology, but on individuals, personalities, their power, and how people are associated with them. This has something to teach us about the period of change and transition afterwards. If in both Cuba and in Miami the politics of personality have not evolved into more focus on policy and on the foundations for Cuban political parties, the transition itself will be overly subject to the sway of personalities. Elections held too early in this climate can be a grave mistake.

Military contacts are important. Today they amount to a Coast Guard liaison in Havana, and a monthly talk across the fence at Guantanamo Naval Base. Such contacts must be expanded, especially if the Cuban military is going to be a power base that helps broker and negotiate the future of Cuba.

Multi-lateralization of policy with a wide group of countries and the OAS can help Cuba prepare for a peaceful change. Transition quite obviously is

our goal, but a transition that destabilizes has a huge cost.

The United States can ease the transition by beginning now to open the necessary political space. Improving U.S. policy towards Cuba, however, is dependent upon the politics around the Cuban-American community. There is

still little understanding that Cuban-Americans today reject isolation in favor of engagement. That new reality is made clear in the attitudes reflected in the March 2007 Cuban Research Institute FIU poll: Cuban-Americans support empowering – not isolating – the Cuban people.