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Cuba: U.S. Policy Overview

Cuban Political and Economic Developments

Cuba remains a one-party authoritarian state with a government that has sharply restricted freedoms of expression, association, assembly, and other basic human rights since the early years of the 1959 Cuban revolution.

Miguel Díaz-Canel succeeded Raúl Castro as president in 2018 and as head of the Cuban Communist Party (PCC) at its eighth party congress in April 2021. The departure of Castro and other older leaders from the PCC's Politburo reflects the generational change in Cuban leadership that began several years ago. While in power (2006-2018), Raúl Castro (who succeeded his brother, longtime leader Fidel Castro) began to move Cuba toward a mixed economy with a stronger private sector, but his government's slow, gradualist approach did not produce major improvements. Cuba adopted a new constitution in 2019 that introduced some reforms but maintained the state's dominance over the economy and the PCC's predominant political role.

The Cuban economy is being hard-hit by the economic shutdown associated with the Coronavirus Disease 2019 (COVID-19) pandemic; Venezuela's economic crisis, which has reduced Venezuelan financial support; and U.S. economic sanctions. The Cuban government reports the economy contracted 11% in 2020 and projects around 2% growth in 2021. In January 2021, Cuba eliminated its dual currency system; the long-debated reform has spurred inflation, but economists maintain it should boost productivity in the long term.

Cuba's public health response to the pandemic initially kept cases and deaths low, but both increased in late 2020 and surged until August 2021. As of November 17, Cuba had reported over 8,200 deaths and had fully vaccinated almost 77% of its population. Cuba has produced its own COVID-19 vaccines, and it eased requirements for foreign visitors beginning November 15.

Increased Repression. Beginning in November 2020, the government has cracked down on the San Isidro Movement (MSI), a civil society group opposed to restrictions on artistic expression. Motivated by the repression of the MSI, in February 2021, a group of well-known Cuban hip-hop recording artists released a song and music video, *Patria y Vida*, critical of the government that became an instant hit.

On July 11, 2021, widespread anti-government demonstrations broke out in Havana and in cities and towns throughout the country, with thousands of Cubans protesting shortages of food and medicine, daily blackouts, slow progress on COVID-19 vaccinations, and long-standing concerns about the lack of freedom of expression. The government responded with harsh measures, including widespread detentions of hundreds of protesters, activists,

and journalists, and Cuban human rights groups reported summary trials for some of those detained. In October 2021, Human Rights Watch issued a report documenting "human rights abuses, including arbitrary detentions, ill-treatment in detention, and abusive criminal proceedings" against 130 protesters. As of November 4, the human rights group Cuban Prisoners Defenders (CPD) reported 591 political prisoners (up from 152 on July 1), of which 375 were imprisoned and considered prisoners of conscience by CPD, 143 were under conditional release, and 73 were imprisoned for other politically motivated acts.

The Cuban government denied permission and disrupted plans for a new dissident group, Archipiélago, to conduct a countrywide "civic march for change" on November 15. The government used police, state security, and civilian pro-government mobs to thwart the planned protests. Cuban officials also had threatened opposition leaders with prosecution, and President Díaz-Canel accused the United States of playing a role in fomenting the protests.

U.S. Policy

Since the early 1960s, when the United States imposed a trade embargo on Cuba, the centerpiece of U.S. policy toward Cuba has consisted of economic sanctions aimed at isolating the Cuban government. In late 2014, the Obama Administration initiated a policy shift away from sanctions and toward engagement and the normalization of relations. Changes included the rescission of Cuba's designation as a state sponsor of international terrorism (May 2015); the restoration of diplomatic relations (July 2015); and an easing of restrictions on travel, remittances, trade, telecommunications, and banking and financial services (2015-2016). The restoration of relations led to increased government-to-government engagement, with over 20 bilateral agreements and numerous dialogues.

President Trump unveiled his Administration's Cuba policy in 2017, issuing a national security presidential memorandum that introduced new sanctions, including restrictions on transactions with companies controlled by the Cuban military. By 2019, the Trump Administration had largely abandoned engagement and significantly increased sanctions, particularly on travel and remittances, to pressure Cuba on human rights and for its support of the Venezuelan government of Nicolás Maduro.

In its initial months, the Biden Administration announced it was conducting a review of policy toward Cuba. The White House press secretary said in March 2021 that the Administration would make human rights a core pillar of policy and would review policy decisions made in the prior Administration, including the decision to designate Cuba as a state sponsor of terrorism.

After Cuba's July 11 protests, President Biden and other U.S. officials expressed solidarity with the protesters and criticized the Cuban government for its repressive response. The Treasury Department imposed targeted sanctions on several Cuban security officials and entities (see below), and the State Department joined with 20 countries to condemn Cuba's mass arrests and detentions. The Administration also established a working group to identify effective ways to get remittances directly to the Cuban people and began reviewing plans to increase staffing at the U.S. Embassy in Havana to facilitate consular services and civil society engagement. The State Department condemned Cuba's denial of permission for peaceful protests on November 15 and denounced the repression by Cuban security, police, and government-backed mobs.

Selected U.S. Sanctions Imposed Since 2017

Transactions with the Cuban Military. In 2017, the State Department published a list of entities controlled by the Cuban military, intelligence, or security services with which direct financial transactions would disproportionately benefit those services or personnel at the expense of the Cuban people or private enterprise. Last updated in January 2021, this "Cuba restricted list" includes 231 entities (ministries, hotels, and numerous businesses).

Travel and Remittances. Since 2019, the United States has imposed an array of restrictions on travel and remittances. These have included eliminating people-to-people educational travel, prohibiting cruise ships and private and corporate aircraft from going to Cuba, suspending commercial flights to cities other than Havana, and prohibiting U.S. travelers from staying at over 400 hotels and private residences identified as owned or controlled by the Cuban government. On remittances, Treasury prohibited the processing of remittances through entities on the "Cuba restricted list," which resulted in Western Union ceasing its operations in Cuba in November 2020.

Targeted Human Rights Sanctions. Under the Trump Administration, the State and Treasury Departments imposed targeted sanctions on several high-ranking Cuban officials and the Ministry of the Interior. Under the Biden Administration, in the aftermath of the July 11 protests, the Treasury Department imposed four rounds of targeted financial sanctions, from July 22 to August 19, on three Cuban security entities and eight security officials.

Terrorism Designations. In May 2020, then-Secretary of State Pompeo (pursuant to the Arms Export Control Act) included Cuba in the annual list of countries certified as *not cooperating fully* with U.S. anti-terrorism efforts for the first time since 2015. Secretary of State Antony Blinken also included Cuba on the annual list in May 2021. In January 2021, pursuant to several laws, Pompeo designated the Cuban government as a state sponsor of international terrorism, citing Cuba's harboring several U.S. fugitives and members of Colombia's National Liberation Army.

Injuries of U.S. Embassy Personnel

Between late 2016 and May 2018, 26 U.S. Embassy Havana community members suffered a series of unexplained injuries, including hearing loss and cognitive

issues. In December 2020, the National Academies of Sciences, Engineering, and Medicine released a report concluding the most plausible mechanism for the source of the health symptoms was directed pulsed radio frequency energy. U.S. officials maintain that investigations into the cause or source of these anomalous health incidents have not reached a conclusion. As many as 200 U.S. government and military officials worldwide have been affected by these incidents since 2016, according to U.S. officials. In September 2021, Congress enacted legislation (P.L. 117-46) authorizing the provision of payment to Central Intelligence Agency and State Department personnel who experience certain brain injuries.

117th Congress: Legislative Initiatives

Congress has begun consideration of the Administration's FY2022 request of \$20 million for Cuba democracy and human rights programming (same as appropriated annually since FY2014) and \$12.973 million for Cuba broadcasting (same as appropriated in FY2021). Both the House-approved and Senate introduced versions of the FY2022 foreign aid appropriations bill (H.R. 4373, H.Rept. 117-84; S. 3075) would fully fund both programs. Of the \$20 million for Cuba democracy programs, the House bill would provide not less than \$5 million to support free enterprise, private business organizations, and people-to-people and cultural activities. In contrast, the Senate bill would provide \$5 million for such activities in addition to the \$20 million in democracy funding.

On human rights, the House approved H.Res. 760 in early November 2021, and the Senate approved S.Res. 310 in August; both resolutions expressed solidarity with Cubans demonstrating peacefully, condemned Cuba's acts of repression, and called for the immediate release of arbitrarily detained Cuban citizens. In other action, the Senate passed: S.Res. 37 in April, expressing solidarity with the MSI; S.Res. 81 in May, honoring *Las Damas de Blanco*, a woman-led human rights group; and S. 2045 in July, which would rename the street in front of the Cuban Embassy after a democracy activist.

Among other bills, H.R. 198 would permit Cuban nationals to play U.S. professional baseball; H.R. 287 and S. 689 would prohibit the rescission of Cuba's designation as a state sponsor of terrorism until Cuba satisfies certain conditions; H.R. 2684 would establish a Cuban family reunification parole program; S. 249 and H.R. 3625 would lift economic sanctions; S. 1694 would lift trade restrictions; S. 2138 would allow certain Cuban medical personnel working in third countries admission into the United States; H.R. 5069 would direct the Secretary of State to facilitate unrestricted internet access in Cuba; and H.R. 5557/S. 2990, among its provisions, would impose sanctions on foreign persons for engaging in certain transactions related to Cuba.

Also see CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*; and CRS Report R45657, *Cuba: U.S. Policy in the 116th Congress and Through the Trump Administration*.

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