



Updated August 29, 2023

Cuba: U.S. Policy Overview

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. Cuba's National Assembly elected Díaz-Canel to a second (final) five-year presidential term in April 2023. 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) relaxed restrictions on private economic activities, 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.

Socioeconomic Conditions

The Cuban economy was hard-hit by the economic shutdown associated with the Coronavirus Disease 2019 (COVID-19) pandemic and has yet to fully recover. Cuba reports the economy contracted by 10.9% in 2020 and grew by 1.3% and 2% in 2021 and 2022, respectively. The Cuban government forecasts growth of 3% in 2023. However, according to the Economist Intelligence Unit (EIU), Cuba's economic output will not return to its pre-pandemic level until 2024. Recovery has been slowed by fuel oil shortages due to reduced imports from Venezuela, a slower-than-expected return of hard currency-wielding foreign tourists, continuing distortions and inefficiencies in the centrally planned economy, and the effects of U.S. sanctions.

Cuba unified its dual currency system in 2021; the long-debated reform contributed to high inflation (with estimates ranging between 150% and 500% in 2021). The EIU estimates that inflation averaged 76% in 2022 and forecasts an average rate of 62% in 2023.

Increased Repression

Beginning in November 2020, the government cracked down on the San Isidro Movement (MSI), a civil society group opposed to restrictions on artistic expression. On July 11, 2021, anti-government demonstrations broke out in Havana and throughout the country, with thousands of Cubans protesting economic conditions (food and medicine shortages, blackouts) and long-standing concerns about the lack of political freedoms. The government responded with harsh measures, including widespread detentions of protesters, civil society activists, and bystanders. Hundreds of the July 2021 protestors have been tried and convicted, including more than 30 minors. The human rights group

Cuban Prisoners Defenders (CPD) reported that there were 1,047 political prisoners at the end of June 2023 (up from 152 on July 1, 2021), of which 806 were imprisoned and considered prisoners of conscience by CPD, 212 were under some form of conditional release, and 29 were imprisoned for other politically motivated acts.

Increased Cooperation with China and Russia

In the aftermath of Venezuela's economic crisis, Cuba has increased its commercial and military ties to China and Russia. In June 2023, in response to press reports regarding Cuba-China security cooperation, the Biden Administration asserted that China had upgraded its intelligence collection facilities in Cuba in 2019. Cuba also has strengthened its diplomatic and commercial ties to Russia and has resisted international efforts to condemn Russia's invasion of Ukraine. Among other reported agreements, Russia has pledged to deliver 32,000 barrels of oil and oil products per day to Cuba and Cuba has offered to provide 30-year land concessions to Russian firms in Cuba.

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. 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 eased restrictions on travel, remittances, trade, telecommunications, and banking and financial services (2015-2016). In contrast, the Trump Administration introduced new sanctions in 2017, 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.

In its initial months, the Biden Administration announced it was conducting a review of policy toward Cuba, with human rights a core pillar, and would review policy decisions made by the prior Administration. In the aftermath of the Cuban government's harsh response to the July 11, 2021 protests, the Biden Administration criticized Cuba's repression and imposed targeted sanctions on those involved, including financial sanctions on three Cuban security entities and eight officials, and visa restrictions against 50 individuals involved in repressing protesters.

In May 2022, the Administration announced several policy changes aimed at increasing support for the Cuban people. It increased immigrant visa processing at the U.S. Embassy in Havana and said it would reinstate the Cuban Family Reunification Parole (CFRP) program. It eased travel

restrictions by reauthorizing scheduled and charter flights to cities beyond Havana and reinstating group people-to-people travel. It eased restrictions on sending cash remittances by eliminating the dollar and frequency limits for family remittances and reauthorizing donative remittances to Cuban nationals. In January 2023, the Department of Homeland Security launched a new humanitarian parole program allowing up to 30,000 individuals per month from Cuba and other selected countries combined to enter and remain in the United States for two years with work authorization, subject to sponsorship and vetting requirements. As of the end of June 2023, more than 35,000 Cubans had arrived in the United States under the parole program.

Irregular Migration

Driven by Cuba's difficult economic conditions and political repression, irregular Cuban migration to the United States has surged over the past two years. U.S. Customs and Border Protection (CBP) reported over 224,000 border enforcement encounters of Cuban migrants nationwide in FY2022, a sixfold increase over FY2021, with the overwhelming majority at the Southwest land border. For the first ten months of FY2023, CBP reported 171,958 encounters of Cuban migrants. U.S. maritime interdiction of Cubans also has increased, with the Coast Guard reporting 838 interdictions in FY2021; 6,182 in FY2022; and (as of August 5, 2023) 6,897 interdictions in FY2023. In November 2022, Cuba agreed to resume accepting previously suspended U.S. deportation flights of Cubans.

Bilateral Meetings

During the Biden Administration, U.S. and Cuban officials have resumed previously suspended meetings on selected issues of bilateral concern. Semiannual talks to review implementation of bilateral migration accords resumed in April 2022. In January 2023, U.S. and Cuban officials met in Havana to discuss law enforcement and anti-terrorism matters under the U.S.-Cuba Law Enforcement Dialogue. In March 2023, the Coast Guard hosted a Cuban delegation at the Port of Wilmington, NC, as part of the U.S. International Port Security Program.

Selected U.S. Sanctions

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. This "Cuba restricted list" includes 231 entities (ministries, hotels, businesses).

Travel and Remittances. Since 2019, U.S. restrictions have prohibited travel by cruise ships and by private and corporate aircraft. Since 2020, most U.S. travelers have been prohibited from staying at over 400 hotels and private residences identified as owned or controlled by the Cuban government. A 2020 U.S. prohibition against processing remittances through "Cuba restricted list" entities resulted in Western Union suspending its money transfer services to Cuba, until revised rules in 2022 authorized the company to issue transfers through local electronic payment processors.

Terrorism Designations. Since May 2020, pursuant to the Arms Export Control Act, the Secretary of State has included Cuba on an annual list of countries certified as *not cooperating fully* with U.S. anti-terrorism efforts. In early January 2021, pursuant to several laws, the Secretary of State redesignated Cuba as a state sponsor of international terrorism, citing its harboring of 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. Since the initial Havana cases, a number of U.S. government and military officials worldwide have reported these symptoms. 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. A March 2023 report by the Office of the Director of National Intelligence assessed the possibility that a foreign adversary played a role in causing the injuries as "very unlikely."

118th Congress: Selected Actions on Cuba

For FY2024, the Biden Administration requested \$15 million for the Office of Cuba Broadcasting (OCB) and \$20 million for Cuba democracy programming. These amounts are similar to estimated FY2023 allocations of \$13 million for OCB and \$20 million for Cuba democracy programming. The Department of State, Foreign Operations, and Related Programs (SFOPS) Appropriations Act, 2024, reported in the House (H.R. 4665/H.Rept. 118-146), would provide \$35 million for OCB, an additional \$10 million related to Cuba broadcasting, and \$30 million for Cuba democracy programming. The bill also would require the Secretary of State to report on, and withhold some assistance from, those countries and international organizations that are paying the government of Cuba for "coerced and trafficked labor of Cuban medical professionals." The FY2024 SFOPS appropriations measure reported in the Senate (S. 2438/S.Rept. 118-71) would recommend nearly \$13 million for OCB but would not specify a funding level for Cuba democracy programs.

The House- and Senate-passed versions of the National Defense Authorization Act for Fiscal Year 2024 (H.R. 2670 and S. 2226) would extend through FY2024 a prohibition on the use of funds to close or relinquish control of the U.S. Naval Station, Guantánamo Bay, Cuba. The Senate-passed versions of both bills would further require the Secretary of Defense to report on the presence and activities in Cuba of the Russian and Chinese militaries, their potential impact on U.S. national security, and U.S. policy response options.

For further information on recent legislative initiatives on Cuba, see CRS Report R47246, *Cuba: U.S. Policy in the 117th Congress*. Also see CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*.

This In Focus updates an earlier version written by former CRS Specialist Mark Sullivan.

Ramon Miro, Analyst in Latin American Affairs

Peter J. Meyer, Specialist in Latin American and Canadian Affairs

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