

Cuba's Relations with the Caribbean: Trends and Future Prospects

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EXECUTIVE SUMMARY

International, Caribbean and Cuban domestic developments since the end of the Cold War have converged to create the conditions for a significant growth in inter-governmental relations between Cuba and the Caribbean, resulting in increased economic and political relations and active cooperation throughout the 1990s.

This paper examines the evolving interests driving relations between Castro's Cuba and the Caribbean from the 1970s to the present day, the changing regional and international foreign policy context, particularly the regional dynamics with the United States, and the potential for increased engagement in the future. It focuses on the islands of the Caribbean region, with an emphasis on those English-speaking Caribbean countries that have been most actively involved with Cuba.

The rekindling of relations between Cuba and the Caribbean since the 1990s is the outcome of political will on both sides to establish mutually beneficial ties and new avenues for integration within the Caribbean community, in order to confront a host of key challenges posed by globalization, as well as the result of U.S. acceptance of certain kinds of ties between Cuba and the Caribbean states, as long as such relations do not result in excessive Cuban influence in the region. Cuba's outreach toward the Caribbean is based on the need to build new security goals. These objectives are not confined to fencing off U.S. antagonism against the Cuban regime. As a result of the disappearance of the socialist camp and the loss of Cuba's principal economic partner, the Soviet Union, Cuba has had to redefine its international economic relations. Consequently, economic considerations are a major component of Cuba's current rapprochement to the Caribbean.

Cuba's re-engagement with the Caribbean will continue but, despite the mutual incentives, this process faces important structural limitations, especially within the economic sphere. Similar domestic industry and export profiles, and important differences in the way in which the economies of Cuba and the Caribbean are organized, make them economically incompatible in important ways.

RESUMEN

Con el fin de la Guerra Fría, las coyunturas internacional, caribeña e interna de Cuba han propiciado un auge considerable en las relaciones gubernamentales entre Cuba y las naciones del Caribe. Esto ha traído como resultado un incremento de las relaciones tanto políticas como económicas y una cooperación activa a lo largo de la década de 1990.

Este documento explora las relaciones entre la Cuba de Castro y el Caribe desde los años de 1970 hasta el presente, el cambiante contexto de la política exterior regional e internacional, especialmente la dinámica de esas relaciones con los Estados Unidos, y las perspectivas de relaciones más amplias en el futuro. El trabajo se centra en las islas del Caribe, especialmente en las naciones angloparlantes, las cuales han tenido un mayor acercamiento con la mayor de las Antillas.

La revitalización de las relaciones entre Cuba y el Caribe desde la década de 1990 es resultado de una voluntad política de ambas partes, dirigida a establecer vínculos mutuamente beneficiosos y hallar nuevas vías de integración dentro de la comunidad caribeña, con el propósito de aunar esfuerzos frente a los retos que impone la globalización. Es también resultado del beneplácito de los Estados Unidos de permitir ciertos vínculos entre Cuba y las naciones caribeñas, siempre y cuando dichos vínculos no otorguen a Cuba una influencia excesiva en la región. El acercamiento de Cuba hacia el Caribe parte de la necesidad de alcanzar objetivos nuevos de seguridad nacional, los cuales no se limitan únicamente a atenuar el antagonismo norteamericano contra la isla. Como resultado de la desaparición del campo socialista y la pérdida de su principal socio económico (la Unión Soviética), Cuba se ha visto obligada a redefinir sus relaciones económicas internacionales. Por lo tanto, las consideraciones de tipo económico ocupan un lugar prominente en el acercamiento de Cuba hacia el Caribe.

Cuba y el Caribe poseen motivaciones coincidentes por lo que el acercamiento no se detendrá. Sin embargo, Cuba enfrenta importantes limitaciones estructurales, especialmente en el área económica. Las similitudes de sus industrias domésticas y de sus exportaciones, junto a diferencias significativas en la organización económica entre Cuba y el Caribe, hacen que estas economías sean incompatibles en un importante número de aspectos.

INTRODUCTION

Cuba's reinsertion into the Caribbean, its natural geographic setting, has become a topic of interest, particularly since the end of the Cold War, as relations between Castro's Cuba and the Caribbean have deepened. Although this paper analyzes Cuba's relations with the Caribbean region in general, its primary focus is on the islands of the Caribbean, with an emphasis on those English-speaking Caribbean countries that have been most actively involved with Cuba.

INITIAL SURGE IN RELATIONS (1970–1983)

A Break with the Past

Following a decade of political independence throughout the Caribbean, the early 70s saw significant developments in relations between Castro's Cuba and Caribbean governments, which were virtually

non-existent at the time. In 1972, Jamaica, Guyana, Trinidad and Tobago and Barbados, the largest English-speaking countries in the Caribbean, decided to break away from a policy of isolating Cuba, and jointly established full diplomatic relations with Havana. Motivated by the common interest of regional integration, the move was a landmark in hemispheric affairs. At the time, there were widening differences between the United States and the Latin American and Caribbean states, stemming from worsened economic and political conditions in the latter and U.S. failure to provide realistic alternative solutions to their main economic woes. Governments and sectors of diverse ideological colours within the Caribbean acknowledged that the Cuban socialist process was a political fact, with much to contribute to the concerted search for solutions to the problem of underdevelopment. At the time, Cuba was regarded as the most developed nation in the Caribbean, with a significant role to play in regional integration. It was also perceived as a conduit for the expansion of relations with the socialist bloc

and the rest of the Third World, as well as an ally that would support the nationalistic stance taken by these four states.

Driven largely by its security interests, in these years Cuba developed wide-ranging ties and contacts with the majority of the Caribbean countries, resulting in greater economic, scientific and technical cooperation and increased trade. In addition to the re-establishment of full diplomatic relations with a number of Caribbean nations, Cuba joined a number of regional intergovernmental organizations such as the Latin American Economic System (SELA) and the Caribbean Multinational Shipping Corporation (NAMUCAR).

A Shifting Regional Context

This surge in Cuban–Caribbean relations took place during the U.S. Carter administration, for which the Caribbean Basin once again became a top-priority foreign policy issue. While not ruling out military intervention, the Carter administration's policy was to make use of significant political and economic resources to destabilize the more left-leaning regimes, neutralize revolutionary movements and increase U.S. influence. In its first stage, it also aimed at reducing confrontation with Cuba, resulting in a more relaxed political climate in the area.

By the end of the 1970s, however, the goals of the Carter administration's policy for the region had changed as a result of several developments, including: the toppling of the Gairy dictatorship in Grenada by the New Jewel Movement (New Jewel: Joint Endeavour for Welfare, Education and Liberation) on March 13, 1979 and the openly revolutionary and *anti-imperialist* stance taken by the new government; the triumph of the Sandinista movement in Nicaragua; and increased insurgency in El Salvador. Similarly, the existence of a number of governments in the region with positions that contradicted U.S. interests, such as the governments of Michael Manley in Jamaica and Forbes Burnham in Guyana, and the growing influence of Cuba in the region, contributed to a shift in the U.S. approach towards the Caribbean. Confrontations and the use of economic, political and military threats towards Cuba by the U.S. escalated in response to these developments.

The U.S. commitment to continue fighting the Cold War was renewed with the election of Ronald Reagan in 1980, and his administration set out to implement a policy that emphasized strategic military interests.

The U.S. invasion of Grenada in 1983 polarized regional positions, particularly among the English-speaking nations. Cuban foreign policy in the region gave priority to assisting the Grenadian revolution through economic, scientific and technical cooperation, diplomacy and military aid. This military support, in particular, raised suspicion among the Caribbean countries about how far Cuba would go in encouraging armed subversion of the socio-political status quo. U.S. condemnation of the “Cuban connection” further contributed to the notable deterioration in relations between Cuba and other governments in the area.

It is within this context that Reagan launched the Caribbean Basin Initiative (CBI) in 1984, a plan designed to spur long-term social and economic development in the region through government aid, private sector investment and preferential access to the U.S. market. By providing favourable conditions for linking the Caribbean economies to U.S. markets, this initiative sought to isolate Cuba from the rest of the Caribbean and defuse regional revolutionary movements.

Fearing regional destabilization due to the Grenadian revolution and the increase of Cuban influence in the area, as well as in response to new economic opportunities, the majority of Caribbean governments chose to align themselves with the United States in its plans to reassert its dominance in the region by dissuading and curbing local “communist subversion.” This resulted in a marked decline in linkages between Cuba and the Caribbean, manifested in various ways, including the rupture of diplomatic relations by Edward Seaga of Jamaica.

Regional Impact

In some ways, the outcome of closer relations with the region throughout the 1970s was very favourable for Cuba. First, and foremost, the Cuban revolution gained recognition as a political reality and its position in the Caribbean community was legitimized. Furthermore, it showcased socialism as an attractive option since it seemed to offer alternate solutions to socio-economic issues common to all Caribbean nations. As a result, Cuba exerted considerable influence in the region.

However, despite the inroads made, the Cuban government did not exploit to the fullest the possibilities the Caribbean had to offer in that decade. This was largely because of the priority it gave to relations with Jamaica, Guyana and Grenada — whose respective

governments had taken more defined anti-American positions. The result was that Cuba paid insufficient attention to other countries in areas such as the Eastern Caribbean, although there were links and contacts with sectors of almost every island state.

This priority contributed to the perception that Cuba was only concerned with pursuing its political and ideological goals, instead of reciprocally beneficial intergovernmental relations. The suspicion regarding the objectives of Cuban foreign policy was kindled by the aid provided to Grenada, as well as by the growth of Cuban ties to other political movements and parties, a number of which embraced the use of radical means to seize power.

THE RE-EMERGENCE OF DEEPENING TIES (1990 TO THE PRESENT)

The rekindling of Cuban–Caribbean relations since the 1990s is the outcome of political will on both sides to establish mutually beneficial ties and new avenues for integration within the Caribbean community in order to confront a host of key challenges posed by globalization.

The nature and potential of such links, as well as the reasons behind them, must be understood within the dynamics of the interaction between the United States, Cuba and the rest of the Caribbean community. For it is in this framework that conditions arise that may hinder or foster the development of these ties.

U.S. Regional Interests

History demonstrates that U.S. security concerns have been a major obstacle for normal relations between Castro's Cuba and the rest of the Caribbean. Any attempt to establish links with the Cuban state has been deemed contrary to U.S. interests, and therefore strongly discouraged.

The Caribbean countries' extreme dependency on the U.S. economy makes them vulnerable to U.S. pressure, and compels them to be rather mindful of U.S. sensitivity regarding the Cuban issue when designing their own approaches towards Cuba.

With the fall of the Soviet Union in 1989, the emergence of a post-Cold War international dynamic, and Cuba's economic collapse in the early 1990s and

its relative loss of influence, it seemed that the reasons underpinning the hard-line U.S. position towards Cuba had been removed. Instead of a gradual relaxation of relations, however, the U.S. hardened its position against Cuba on several fronts, particularly by tightening the economic embargo with the passage of the Helms-Burton Act, which made a geo-political issue of normal trade between any country and Cuba.

Nevertheless, the U.S. now accepts certain kinds of ties between Cuba and the Caribbean states. It does seem that this tolerance will remain, as long as such relations do not result in excessive Cuban influence and a switch in other countries' political positions that might be contrary to U.S. interests in the area.

This reflects a U.S. foreign policy approach that, while maintaining the exertion of political pressure on Cuba,

has started to build bridges that allow for better coexistence with Cuba. Evidence of this approach is the current Bush administration's decision to allow the sale of foodstuffs and pharmaceuticals to help Cuba recover from damages caused by Hurricane Michelle. Furthermore, the U.S. does not want its uncompromising stance on Cuba to get in the way of its relations with the Caribbean countries at a time when it needs to build broad alliances for its war against new global threats such as drug-trafficking and terrorism.

Caribbean Interests

The Caribbean includes a variety of nations that do not necessarily hold similar positions and interests in the international arena, so there are always risks involved in attempting a comprehensive analysis. However, as far as relations with Cuba and their future impact on the region are concerned, it is possible to identify some common ground.

Changes brought about by the globalization process, particularly the creation of large economic blocs, have caused much concern in the region. The North American Free Trade Agreement (NAFTA), and the latest developments aimed at consolidating the European Union, are perceived as threats to the region's economic future, since current preferential arrangements in terms of trade and financial aid are eroding and face the risk of being entirely lost.

These new realities indicate that the trend towards greater economic integration of the Caribbean and the United States will become stronger. However, this process will not move quickly, given the conflicting interests of the nations involved. The Caribbean nations are small both in territorial and economic size and their actions in the international arena, particularly those of the English-speaking states, have historically been dictated by an awareness of their own vulnerability and dependency. In their view, national security is not only concerned with the preservation of territorial integrity against military intervention but also with other types of threats, namely drug-trafficking, illegal migration, environmental damage, as well as all other issues associated with social and economic development. This is why Caribbean foreign policies have shifted between subordination to the interests of global centres of power and autonomous positions that assert their own interests.

With the end of the Cold War and the globalization of the world economy, the Caribbean has ceased to be a geo-political priority for U.S. foreign policy. In the context of the new world order, the United States has focused on reasserting its economic supremacy in the face of its perennial competitors, Japan and the European Union. Given the small size and unimportance of the Caribbean countries to the giant U.S. economy, the Caribbean is not a priority for U.S. geo-economic interests, as are the Free Trade Area of the Americas (FTAA) and the NAFTA.

The reappraisal of U.S. foreign policy priorities came about at a time when the Caribbean, increasingly concerned about the changes in the international economy and their impact on local economic development, held high expectations regarding trade, investment and financial assistance from its traditional markets. These circumstances have emphasized the urgent need to restructure international relations in the region, particularly within the Caribbean community. The political will to reengage Cuba is part of the push for regional integration, with the Caribbean Community (CARICOM) articulating some of the main proposals.

It was in order to defend the region's interests that CARICOM created the Association of Caribbean States (ACS) in 1994, a cooperation mechanism designed to strengthen the negotiating capacity of the region. Another example is the position taken by the English-speaking members of CARICOM with regards to the Cuban issue. They have recognized the legitimacy of the Cuban socialist project and expressed their rejection of any form of pressure exerted against

the island, stating that Cuba's future is its own to decide without foreign imposition. To this end, both CARICOM and the ACS have declared their opposition to the Helms-Burton Act.

CARICOM's and the ACS' position on the U.S.-Cuba dispute does not imply support of Cuba's domestic policies. The regional position towards Cuba transcends the specific context of the Cuban issue in order to defend broader Caribbean interests. They oppose the exertion of pressure against a Caribbean nation because such pressure is seen as a threat to regional security and to be inconsistent with the universally recognized principles that should govern international relations.

Although the political will to re-engage Cuba existed in the Caribbean in the 1970s, it is now perceived for the first time as the expression of a regional consensus that Cuba has an important role to play in future Caribbean integration. With a population exceeding 11 million and its strategic geographical location, Cuba is a geo-political and geo-economic reality that cannot be ignored. Accordingly, the appraisal made by business and political leaders of its importance for regional development stems from strategic considerations rather than the current state of affairs in the area.

It cannot be denied that the changes in the international arena have influenced the formation of this regional consensus, strengthening friendly perceptions of Cuba while moderating hostile ones. In that sense, economic imperatives have outranked shared political concerns arising from previous experience in the 1970s with regards to Cuban objectives in its relations with its Caribbean neighbours. In the current circumstances, a post-Cold War approach to Cuba is possible because it is not perceived anymore as the carrier of extra-regional interests.

Although the Cuban development strategy has lost supporters over the course of the last few years, in the Caribbean Cuba is viewed as a country with an important contribution to make toward regional development. On the one hand, it is seen to boast advantages in areas such as health care, sports and culture, as well as in the fisheries, sugar and construction industries. On the other hand, it is seen as the nation with the greatest economic potential in the region and viewed as having the potential to leverage Caribbean negotiating positions in world forums. The relevance of its contribution lies also in its shared

concerns regarding common issues faced by the developing nations, such as market access and limited financing for development, which find expression in Cuba's activism on behalf of the Third World and its support for Latin American and Caribbean integration efforts.

Another consideration bearing on the Caribbean community's policy of reengagement with Cuba is a concern regarding the impact on the region of future developments inside Cuba, specifically the possibility that it could revert to a capitalist economy. Such a reversal would affect economic development at the regional level as the island would become the Caribbean's main competitor for access to U.S. investments and economic assistance in areas such as tourism, exports, and banking industries, within a framework of preferential treatment that Cuba is expected to be granted. This would also result in both a stronger Cuban-American lobby in U.S. decision-making circles and more pronounced Cuban leadership in the region, without guarantees that these elements would serve to further regional interests. In light of this concern, strong ties with the island would allow the rest of the Caribbean countries to benefit from an invigorated Cuban economy in the future.

Cuban Interests

Cuban foreign policy toward the Caribbean has been primarily focused on protecting its national security and the survival of the revolution. It has assumed that increasing its influence in the region would create a favourable consensus that would deter potential U.S. attempts to isolate or take any interventionist action against the island.

Similarly, Cuba has felt that its international activism on behalf of the Third World and the non-aligned movement has had a resonance in the Caribbean nations given their shared concerns in regards to issues such as U.S. dominance and the changes in the international economic order.

Cuba's outreach to the Caribbean since the 1990s is based on the need to build new security goals. These objectives are not confined to fencing off U.S. antagonism against the Cuban regime. As a result of the disappearance of the socialist camp and the loss

of Cuba's principal economic partner, the Soviet Union, Cuba has had to redefine its international economic relations. Consequently, economic considerations are a major component of Cuba's current rapprochement to the Caribbean, which is based on the common necessity to join forces in search of better alternatives to reinsert themselves in the global economy. In other words, Cuba has started to see the Caribbean as both an economic and commercial partner, as well as a potential political ally in its confrontation with the United States.

Cuban-Caribbean relations have yielded some promising results. Since 1990, two-way trade between Cuba and the Caribbean has grown consistently from roughly U.S. \$8.6 million in 1990 to close to U.S. \$200 million in 1999 (Cuban Chamber of Commerce, Business Opportunities in Eastern Cuba, 1993; Granma, June 29, 2000). During this period Cuba joined the Association of Caribbean States and the Caribbean Forum of African, Caribbean and Pacific (ACP) States (CARIFORUM), and signed a number of cooperation agreements with CARICOM. In the tourism sector, Cuba has negotiated joint ventures and multi-destination arrangements with governmental and private sector participation with the Dominican

Republic, Jamaica and the Bahamas. In addition, Cuba has provided medical assistance to Belize, Guyana and Haiti, as well as scholarships to students from several Caribbean states.

FUTURE PROSPECTS

Cuba's re-engagement with the Caribbean will continue but faces a number of significant challenges. This will not necessarily be a smooth process, and it will be characterized by actions that do not exceed the bargaining power that the Caribbean nations may enjoy in their geopolitical context.

Commercial Prospects

Despite the achievements, economic relations have not reached their full potential, due in part to both similarities and differences between the economic structures of Cuba and the Caribbean community.

Similar domestic industries and exports, such as primary products like sugar, as well as the tourist industry, make these economies rivals with each other.

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Important differences in the way in which the economies of Cuba and the Caribbean are organized have resulted in an important degree of economic incompatibility. Cuba's highly centralized economic superstructure, guiding principles and institutions were for many years designed to meet the requirements of the former socialist market, rather than those of the Caribbean market, which has been adjusting to the new standards of the world economy, namely liberalization of trade and investment, reciprocity, non-preferential treatment and competitiveness.

Despite these structural limitations, it is possible to identify and/or create complementarities that could yield mutual benefits. This could be achieved through better mutual understanding, and government officials and business representatives have already taken steps in that direction, such as the organization of reciprocal business delegations and trade fairs, largely at the initiative of the Cuban government.

Given the similarities and differences in their economic and trade profiles it would be absurd to think that the Caribbean could attract large volumes of Cuban exports, or that it could supply much of Cuba's imports. The question would be to reap, within the given structural economic constraints, the highest possible benefits in accordance with each other's capabilities. In the case of Cuba, the highest benefits could be obtained at the sectoral level. Trade volume with the region is not considerably high at the macroeconomic level; however, it could, on a smaller scale, have a more noticeable impact on the Cuban economy as a supplier of resources entirely or temporarily unavailable to specific sectors or individual companies.

Key sectors of the Cuban economy that would benefit from enhanced economic relations with the Caribbean include:

Agriculture: Cuba's modern facilities and qualified workforce allow for the creation of business partnerships for the production of pork, chicken and eggs.

Light industry: There exist interesting joint venture opportunities for the manufacture and marketing of footwear, ornamental and industrial ceramics and textiles.

Construction supplies industry: The infrastructure for the manufacture of sanitary ware and ceramic tiles is in place, though idle due to a lack of funding and material supplies.

Sugar industry: There are plenty of cooperation opportunities in the manufacture of bagasse boards, a sugarcane by-product, for the furniture-making industry.

Important differences in the way in which the economies of Cuba and the Caribbean are organized have resulted in an important degree of economic incompatibility.

In order to regain its position in the Caribbean market in a stable and lasting manner, however, Cuba is compelled to restructure its economy to fit the new demands. Such a restructuring cannot be superficial. Instead, it will require a complete overhaul of its economic model, particularly its corporate system and approach to economic management. Such restructuring must allow the market to play a central role in the island's economic evolution, as well

as complete management autonomy within Cuban business organizations.

Potential New Areas of Cooperation

Beyond economic cooperation, Cuba–Caribbean relations have room for further improvement in areas of common interest that have not yet been fully explored, such as migration, anti-narcotics, terrorism, and the environment. These areas could be the starting point for enhanced and mutually beneficial collaboration and for the development of a common agenda vis-à-vis third parties.

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