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The EU Face to the Foreign Policy Diversification of Cuba and its Changing Political Landscape

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The EU Face to the Foreign Policy Diversification of Cuba and its Changing Political Landscape

Latin American challenges: the role of the European Union
University of Miami

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Abstract

Following the Soviet Union's collapse, Cuba had to find other sources of economic support. In the 1990s, China invested in the Cuban economy, but soon learnt that the economic reforms remain too limited to represent a good opportunity. In 2015, the Obama administration pushed forward the rapprochement with Cuba and, despite making the bilateral relation more difficult, the Trump administration did not reverse that policy. As Cuba tries to diversify its economy, Russia is also playing an increasing role as a strategic partner; it provides oil to fill the Venezuelan vacuum and has reopened a military base in Cuba. Hence, competition is growing to step up the relations with La Havana.

Domestically, while the Cuban society is changing fast with mobile phones, the Internet, the development of tourism, and the private sector, the economic reforms have benefited only a few people and inequality has been growing. Political pressure from below and the 2018 political change creates uncertainty about the future of the reforms and frames the EU policy towards Cuba in an unstable environment. In this context, while the EU-Cuban Political Dialogue and Cooperation Agreement (PDCA) of 2016 may help stabilise the island's economic and political system, it may also turn against the EU if the new Cuban government takes a more conservative turn.

Cuba between The Decline of The Soviet Union and Russia's Renewed Interest

Since Cuba was the USSR's main debtor¹, the collapse of the Soviet Union meant that the Caribbean island had to find other sources of economic support. Its economy was so heavily subsidised that it relied on eighty-five per cent trade with the Council for Mutual Economic Assistance (CMEA or COMECON), which it joined in 1972.² In 1991, American pressure on Moscow prompted Gorbachev to repatriate the Soviet Brigade from Cuba, where it had been set up in 1962.³ This unilateral decision upset Castro who had wanted to negotiate for the retreat of the US from the military base it has occupied in Guantanamo since 1903.⁴ In 1996, the US Senate approved the Helms amendment to the Cuban Democracy Act of 1992; the amendment included an entire section dedicated to Russia and its Signal Intelligence (SIGINT) facility in Lourdes⁵, and provided financial support for access to the IMF in return for ending its aid to Cuba. Eventually, in 2001, Putin closed that facility⁶, and Cuban-Russian relations reached their nadir.

Nevertheless, the help that Russia hoped to gain from Washington never materialised.⁷ Furthermore, in the aftermath of the 9/11 terrorist attacks, the US military intervention in Afghanistan, and its military presence in Central Asia represented a dangerous development in Russia's backyard. Starting in 2008, the deployment of missile defence system in Europe caused Russia to react strongly.⁸ Hence, Cuba regained some of its geostrategic relevance for Moscow to counter the growing US influence in Europe and Central Asia. Putin declared: 'we have to re-establish our position in Cuba and in other countries.'⁹ The Asia Pacific Economic Summit (APEC) in Peru in 2008 provided Russia with the opportunity to deepen its relations with Latin American countries, including Cuba. During Dmitry Medvedev's tour to Latin America that same year, he met Raúl Castro with the aim of restoring their alliance. This paved the way to Raúl Castro visiting Moscow in 2009 and signing several agreements on trade, nickel mining, and joint oil exploration.¹⁰ Russia also donated Cuba 25,000 tons of grain, as well as a US\$20 million loan to purchase Russian construction, energy, and agricultural equipment.¹¹ Moreover, financing was agreed for the delivery of Tupolev 204 medium haul-jet plains¹² which Cuba

¹ Miller, Nicola, 'Trying to Stay Friends: Cuba's Relations with Russia and Eastern Europe', In Morley, Morris and McGillion, Chris (eds.) (2005). *Cuba, the United States, and the Post-Cold War World. The International Dimension of the Washington-Havana Relationship*, Gainesville: University Press of Florida, 62.

² Roy, 2009, p.37; wrongly reported 1975 by Gordy Katherine A. (2015). *Living Ideology in Cuba: Socialism in Principle and Practice*, Ann Harbor: Michigan University Press.

³ CIA, 'The Soviet Brigade in Cuba. Imagery Analysis Report', CIA, December 1986, Declassified in part & Sanitised Copy Approved for Release 2012/02/27, CIA-RDP87T00076R000304900001-9

⁴ Latrèche, Leila, (2011). *Cuba et l'URSS. Trente ans de relation improbable*, Paris: L'Harmattan, 181-184.

⁵ Castro Marino Soraya M. and Pruessen Ronaldo (eds.) (2012). *Fifty Years of Revolution*, Gainesville: University Press of Florida, 83.

⁶ Miller, Nicola, 'Trying to Stay Friends: Cuba's Relations with Russia and Eastern Europe', In Morley, Morris and McGillion, Chris (eds.) (2005). *Cuba, the United States, and the Post-Cold War World. The International Dimension of the Washington-Havana Relationship*, Gainesville: University Press of Florida, 60.

Luhn, Alec, 'Russia to Reopen Spy Base in Cuba as Relations with US Continue to Sour', *The Guardian*, 16 July 2014.

⁷ Castro, Marino Soraya M. and Pruessen Ronaldo (eds.) (2012). *Fifty Years of Revolution*, Gainesville: University Press of Florida, 81.

⁸ Castro, Marino Soraya M. and Pruessen Ronaldo (eds.) (2012). *Fifty Years of Revolution*, Gainesville: University Press of Florida, 82.

⁹ Latrèche, Leila, (2011). *Cuba et l'URSS. Trente ans de relation improbable*, Paris: L'Harmattan, 222.

¹⁰ Stott, Michael, 'Russia and Cuba seal new partnership at Kremlin', *Reuters*, 30 January 2009.

¹¹ Stott, Michael, 'Russia and Cuba seal new partnership at Kremlin', *Reuters*, 30 January 2009.

¹² Stott, Michael, 'Russia and Cuba seal new partnership at Kremlin', *Reuters*, 30 January 2009.

had agreed to purchase in 2007 at the price of US\$100 million per year for seven years including Antonov An-148 planes. The two allies also discussed implementing an aerial defence system.¹³ In 2010, Cuba bought three Antonov An-148 civilian planes from Moscow and negotiated a bilateral cooperation on nanotechnologies for medical and energy purposes.¹⁴

Although the Cuban leadership is aware that Russia does not have the economic power of China, it wants to diversify its economic partners.¹⁵ For instance, Russia replaced China in the nickel's exploitation when it offered La Havana credit for US\$335 million to modernise its equipment. Russia's renewed interest in Cuba was further displayed in 2014 during Putin's official visit to the island. At that occasion, he declared that Russia was going to re-open its SIGINT facility in Lourdes. Opened in 1969, that facility was the largest Soviet/Russian SATCOM intercept station abroad, operated by the KGB foreign Operations Directorate and, later, by Russia's Main Intelligence Directorate (GRU), at its maximum extension it had estimated 3,000 personnel.¹⁶ Eventually, in 2014 Moscow forgave ninety per cent of Cuba's debts with the former USSR (US\$32bn), likely in exchange for reopening that base. Russia also aimed to establish positioning stations for its Global Navigation Satellite System (Glonass) in Cuba and other Latin American and Caribbean (LAC) countries.¹⁷

As Prof. LeoGrande explains, 'Russia plays an increasing role in Cuba and the expansion of bilateral relations as a strategic partnership go behind the rebuilding of the Russian empire'.¹⁸

The Cautious Development of China-Cuba Relations

Cuba was the first LAC country to recognise Communist China in 1960. However, following the Sino-Soviet Split, Cuba chose to side-line with Moscow. Since Gorbachev's reform policies at the end of the 1980s, Fidel Castro started adapting to the new international environment; to avoid relying on a single country, he paid efforts to develop the economy, diversify the export markets, and Cuba's trading partners. In 1983, he had already resumed contacts with China in some fields and by 1989 it had re-established contacts at foreign ministers' level.¹⁹ Overall, from 1985 to 1988, Cuba's trade with Latin American countries increased 'from US\$359 million to US\$1.3bn; the value of China-Cuba trade reached US\$500mn in 1990; total exports to the advanced industrialised world were projected to rise to US\$4billion by 1992; US subsidiary trade tripled in value between 1988 and 1990 to US\$705 million.'²⁰

¹³ Latrèche, Leila, (2011). *Cuba et l'URSS. Trente ans de relation improbable*, Paris: L'Harmattan, 224.

¹⁴ Latrèche, Leila, (2011). *Cuba et l'URSS. Trente ans de relation improbable*, Paris: L'Harmattan, 225.

¹⁵ LeoGrande, William, Personal Interview, Washington D.C., 12 September 2017.

¹⁶ Luhn, Alec, 'Russia to Reopen Spy Base in Cuba as Relations with US Continue to Sour', *The Guardian*, 16 July 2014.

¹⁷ Luhn, Alec, 'Russia to Reopen Spy Base in Cuba as Relations with US Continue to Sour', *The Guardian*, 16 July 2014.

¹⁸ William, LeoGrande, Personal Interview, Washington D.C., 12 September 2017.

¹⁹ Mao, Xianglin, Azulgaray, Treto, Carlos *et al.*, 'China and Cuba: Past, Present, and Future', In Hearn Adrian H., León-Manríquez José Luís (eds.) (2011). *China Engages Latin America*, London: Lynne Rienner, 187.

²⁰ Morley, Morris and McGillion, Chris (2002). *Unfinished Business. America and Cuba after the Cold War, 1989-2001*, Cambridge: Cambridge University Press, 20.

Despite all these efforts, in 1993 the Cuban economy was almost bankrupt. Hence, the leadership urgently looked for alternative sources of finance from European countries and China. Since Washington perceived the development of the Sino-Cuban relations as a particularly dangerous development, the U.S. Senate even pondered in the Helms Amendment to tie “the granting of Most Favoured Nation trading status to China to a ‘significant’ reduction in Beijing’s aid to Havana.”²¹

The similarities between the Chinese and Cuban reforms help understand the economic choices of the Cuban leadership. During the Cold War, both countries’ economies were shaped by a Soviet style state-dirigisme. Furthermore, the political transition from Deng Xiaoping to Jiang Zemin at the beginning of the 1990s provides some lessons to the current political transition in Cuba.²² Similarly to the Castro brothers, Deng Xiaoping embodied the communists’ victory through guerrilla tactics after a long civil war. He also represented a leadership legitimised by military success that held onto power for decades. As in China, the Cuban leadership turned towards the past to fill the gap of Marxism and reassert its legitimacy. Nevertheless, Fidel Castro strongly rejected Gorbachev’s economic and political reforms, whilst Deng Xiaoping had already opened and reformed China. The last witnessed with great concern the fall of the USSR and remained in control of both the economy and the political one-party system through a constant adaptation. The Chinese model of economic development may indeed appeal to the Cuban leadership because in both countries the ‘living ideology [...] defined political unity as unified leadership and privileged unified leadership over socioeconomic equality, insisting that the former is a condition for the latter.’²³ Yet, the Cuban approach to reforms is much more cautious than the Chinese approach and Beijing acknowledges that the Cuban reforms proceed too slowly.²⁴

Despite hosting one of the oldest Chinatowns in LAC, the Chinese diaspora could not perform the function of bridge between Cuba and China as it happened in other countries.²⁵ In fact, the Cuban Revolution of 1959 caused a vast part of the Chinese community in Cuba to escape to the US and other LAC countries. It also meant the end of new migration from China.²⁶ Nowadays, the ‘Barrio Chino’ is ruining as it is circumscribed to a few streets’ sections, often full of dumped rubbish piling up for weeks.²⁷ Although some argue that the Chinese Cubans were a bridge to the mainland, as in the Cuban-Soviet/Russian relations, the true preferential channels of contact were the direct relations between the two parties as well as the powerful relations between the two armies.²⁸ Since the difference between the party and the state are often blurred in both countries, ‘an important practical outcome of the Chinese and Cuban governments’ shared political perspective has been the pursuit of bilateral

²¹ Morley, Morris and McGillion, Chris (2002). *Unfinished Business. America and Cuba after the Cold War, 1989-2001*, Cambridge: Cambridge University Press, 40.

²² Perkins, Dwight H. ‘Commentary: Economic Reforms in China and Vietnam: Are Lessons for Cuba?’, In Domínguez Jorge I. et al. (eds.) (2004). *The Cuban Economy at the Start of the Twenty-First Century*, Cambridge Massachusetts: Harvard University Press, 199-206; Torres Ricardo, ‘Cuban Economic Reforms and Rapprochement with the United States: A Comparative Perspective’, In Hershberg Eric and LeoGrande William M. (eds.) (2015). *A New Chapter in US-Cuba Relations. Social, Political, and Economic Implications*, New York: Palgrave Macmillan, 129-142.

²³ Gordy, Katherine A. (2015). *Living Ideology in Cuba: Socialism in Principle and Practice*, Ann Harbor: Michigan Press University, 2.

²⁴ LeoGrande, William, Personal Interview, Washington, 13 September 2017.

²⁵ See for instance Kuhn, Philip A. (2008). *Chinese among Others: Emigration in Modern Times*, Lanham, MD: Rowman & Littlefield.

²⁶ Personal Interviews, La Havana, 7-12 May 2017.

²⁷ Author field research in La Havana, Barrio China, June 2017.

²⁸ See Mao, Xianglin, Hearn Adrian H., and Liu Waeiguang, ‘China and Cuba. 160 Years and Looking Ahead’, *Latin American Perspectives*, 42(6), 149.

collaboration through state rather than market channels.²⁹ Therefore, bilateral high-level visits are noteworthy.

In 2001, President Jiang Zemin visited Cuba and signed contracts on trade, technology cooperation, and education. He was followed in 2008 by President Hu Jintao, who also donated Cuba US\$8mn of humanitarian aid to cope with the effects of a hurricane.³⁰ Following the final act of the 19th Intergovernmental Commission of 2007, Hu Jintao had signed contracts with Cuba to purchase nickel and sugarcane and for oil exploration in Cuba's Exclusive Economic Zone (EEZ).³¹ However, even though China had invested in the Cuban economy since the 1990s, Beijing had soon learnt that the island's economic reforms were too limited to be a relevant economic opportunity.³² A Cuban expert explained that Beijing was frustrated by the Cuban government's inability to implement the economic reforms and honour its debts: 'Cuba simply does not pay back!'³³, he admitted. Francisco Mora confirmed that 'the Chinese will not subsidise. They are not going to give anything for free. Economic transactions yes...Those are investments.'³⁴ Generally, the Chinese leadership has a certain distrust over the Cuban leadership commitment to reform the economy. Moreover, Beijing has always been cautious not to upset Washington. Nevertheless, Mora notes that this may change in the future and there are analysts in Washington arguing that Cuba is like Taiwan for the U.S.³⁵. In other words, as Washington uses the Republic of China (ROC) in Taiwan to annoy Beijing, so Beijing uses the Caribbean island to annoy the U.S.

On the Cuban side, although Cuba needs China to diversify its economic partners, La Havana fears to become too dependent on the Asian rising giant. This fear explains why overstated bilateral declarations on economic agreements often lacked implementation. For instance, in 2004, the two governments created a Joint Venture (JV) to build an extraction plant for nickel in Cuba, but three years later Venezuela replaced China in that same JV.³⁶ Following the release of the first Chinese White Paper on Latin America and the Caribbean in 2008, President Hu Jintao attended the APEC Summit in Peru and on his way back stopped to Cuba and Costa Rica.³⁷ In 2011, vice-president Xi Jinping also visited Cuba 'to establish the first five-year plan for Sino-Cuban cooperation and a series of memoranda of understanding outlining Chinese investments in the Cuban oil and gas sectors.'³⁸ The following year, Raúl Castro repaid the visit, just a few months before Xi Jinping became President; Castro signed contracts to purchase 'digital television and telecommunications technology, financial and banking services, tourism, infrastructure, and equipment for the health sector, cooperation in agriculture for the sourcing of Chinese fertilisers, tractors, and irrigation equipment.'³⁹ Since the US-Cuba

²⁹ Mao, Xianglin, Azularay, Treto Carlos *et al.*, 'China and Cuba: Past, Present, and Future', In Hearn Adrian H., León-Manríquez José Luis (eds.) (2011). *China Engages Latin America*, London: Lynne Rienner, 189.

³⁰ Mao, Xianglin, Hearn, Adrian H., and Liu Weiguang, 'China and Cuba. 160 Years and Looking Ahead', *Latin American Perspectives*, 42(6), 142.

³¹ Ellis, Evan P. (2009). *Mexico, Central America, and the Caribbean: Strategic Position and the Taiwan Card*, London: Lynne Rienner, 239.

³² LeoGrande, William, Personal Interview, Washington D.C., 13 September 2017.

³³ La Havana, Personal Interview, 7-12 May 2017.

³⁴ Mora, Francisco, Personal Interview, Miami International University, 3rd May 2017.

³⁵ Mora, Francisco, Personal Interview, Miami International University, 3rd May 2017.

³⁶ Esteban, Israel, 'Venezuela trumps China in Cuba ferronickel deal', *Reuters*, 29 January 2007.

³⁷ Jiang, Shixue, 'Ten Key Questions', In Hearn Adrian H. and León Manríquez José Luis (2011). *China Engages Latin America*, London: Lynne Rienner, 57, 59.

³⁸ Mao, Xianglin, Hearn, Adrian H., and Liu Weiguang, 'China and Cuba. 160 Years and Looking Ahead', *Latin American Perspectives*, 42(6), 143.

³⁹ Mao, Xianglin, Hearn, Adrian H., and Liu Weiguang, 'China and Cuba. 160 Years and Looking Ahead', *Latin American Perspectives*, 42(6), 146.

rapprochement under the Obama Administration in 2015, China was more active in supporting La Havana as it sold buses, trucks, and even invested in a US\$500 million golf resort in Cuba.⁴⁰ The deepening of economic relations with Beijing also helped Cuba cope with the disengagement of post-Chavez Venezuela as it plunged in a deep political crisis.

Despite the lack of official Cuban investment data which remain classified, Chinese companies entered the infrastructure, telecoms, tourism, and electronics markets. Chinese products such as Yutong buses, Sinotruk trucks, YTO tractors, Geely cars, and Haier domestic appliances are commonly found in the Caribbean island.⁴¹ For instance, in 2015 Cuba imported US\$1.9 billion goods from China, a sixty per cent increase of the annual average from 2005 to 2015. The world's second largest economy sells to Cuba on soft credit terms, is Cuba's largest creditor, and debt is regularly restructured under secret terms. Chinese companies are extremely active in the new communications technologies, telecommunications equipment, as well as in developing the Internet services and infrastructures. In fact, in 2008, the new government of Raúl Castro authorised mobile phones contracts. This triggered a sharp increase of Cubans using cell phones and in 2016 the Cuban State-monopoly Telecommunications Company (Empresa de Telecomunicaciones de Cuba, ETECSA) had already more than 4 million customers.⁴² In 2015, the Chinese company Huawei entered the island's market through an agreement with ETECSA. Thanks to its affordable products, Huawei became the leading operator for mobile phones with 17.2 per cent of the Cuban market.⁴³ At the same time, since Huawei is a State-Owned Enterprise (SOE) with tight links with the Chinese Communist Party (CCP), the U.S. refused its access to the American market⁴⁴; in 2016, the US Commercial Department also investigated Huawei for its transactions in Cuba, North Korea, and Iran.⁴⁵

The Cuban authorities' preference for a Chinese provider came after the failure of the U.S. clandestine attempt in 2009 to create the equivalent of a Twitter service in Cuba called ZunZuneo.⁴⁶ ZunZuneo was indirectly backed by USAID through front companies in Spain and the Cayman Islands; it offered free online platforms and microblogging to attract young Cubans and developed a long-term reservoir of people to be influenced by anti-government propaganda.⁴⁷ Part of George W. Bush Administration's effort to promote regime change in Cuba, sub-contractors of the USAID targeted the Jewish community in Cuba. They provided access to the Internet through SIM cards to access 'uncensored Internet through non-state networks without the risk of surveillance, but also presumably [gave] USAID contractors and their sub-contractors a way to communicate with activists on the island undetected by Cuban police and intelligence services.'⁴⁸ Therefore, the Cuban leadership turned towards the Chinese to develop a Cuban version of the 'Great Firewall' built on China's decennial experience in its

⁴⁰ Frank, Marc, 'China Piles into Cuba as Venezuela Fades and Trump Looms', *Reuters*, 14 February 2017.

⁴¹ Frank, Marc, 'China Piles into Cuba as Venezuela Fades and Trump Looms', *Reuters*, 14 February 2017.

⁴² Hernandez, Marcelo, 'Chinese Company Huawei Dominates Cuban Cellphone Market', *Translating Cuba*, 25 March 2017. <https://translatingcuba.com/chinese-company-huawei-dominates-cuban-cellphone-market/>

⁴³ Hernandez, Marcelo, 'Chinese Company Huawei Dominates Cuban Cellphone Market', *Translating Cuba*, 25 March 2017. Cuba was pressured by Washington as bilateral negotiations were ongoing.

⁴⁴ Risen, Tom, 'Chinese Telecom Huawei Will 'Exit the U.S. Market', *USNews.com*, 3 December 2014.

<https://www.usnews.com/news/articles/2013/12/03/chinese-telecom-huawei-will-exit-the-us-market>

⁴⁵ Reuters, 'U.S. subpoenas China's Huawei in probe over exports to Syria, others: NY Times', *Reuters*, 2 June 2016.

⁴⁶ Associated Presse, "US Secretly Created 'Cuban Twitter' to Stir Unrest and Undermine Government", *AP*, 3 April 2014.

⁴⁷ Associated Press, 'US Secretly Built « Cuban Twitter » to Stir Unrest', *Associated Press*, 4 March 2014.

⁴⁸ Sweig, Julia E. (2012). *What Everyone Needs to Know*, Oxford: Oxford University Press, 272.

domestic market.⁴⁹ In 2013, the Snowden's revelations⁵⁰ further increased Cuban leaders' fear of American attempts to undermine the regime through the Trojan horse of the new communications technologies.

The pharmaceutical field is another notable bilateral cooperation. In 2006, Cuba started investing US\$41.16mn in China with eight projects on hotels, tourism, and biomedical in Beijing, Shenzhen, Shanghai, and Zhuhai.⁵¹ BioCubaFarma is a public entity that exports biomedicine and China is one of Cuba's special partners; as such, China was authorised to establish a pharmaceutical company in Cuba, taking advantage of the low cost local labour, good health professionals, and training. Hence, China and Cuba have set up joint bio-pharmaceutical factories in China producing anticancer drugs, approved for European and Asian trials.⁵² Other countries such as Canada and European states, mainly France, are also interested in developing such a cooperation with Cuba.⁵³

Finally, the first Chinese White Paper on LAC countries included a section on military relations. It explained that 'professional exchanges in military training and peacekeeping will deepen in the coming years, as will the assistance with the development of LAC militaries. [Therefore China] has established military exchanges with eighteen LAC countries in order to facilitate the exchange of high-level officers and to collaborate in computer networking, hydrometeorological integration, educational training, and conventional weapons sales.'⁵⁴ Cuba is included in this process of deepening military relations with the People's Liberation Army (PLA). According to Francisco Mora, when China sent its Peace Ark hospital ship⁵⁵ to the Caribbean Sea in 2010, the US looked for collaboration, but the Chinese were not interested. Although he excludes that Beijing wants to challenge the U.S. in LAC, he notes that 'the way in which China can project itself in the Western hemisphere will create consternation in Washington and raise again the spectrum of a Cold War.'⁵⁶ This is also why Secretary of State John Kerry's speech at the Organisation of American States (OAS) in 2013 declaring that the Monroe doctrine was dead was heavily criticised. Several American experts warned that other countries, such as China, may become a threat to the US.⁵⁷ The case of the Lourdes facility would be a case in point: since Russia left the SIGINT facility in Lourdes, China started using it. It also has a base for the Chinese Beidou navigation satellite system in Cuba.⁵⁸ Evan Ellis reports that, on the top of a signal intelligence site at Bejucal since 1999, China also has a facility near Santiago de Cuba to intercept American satellite communications.⁵⁹ Because of both countries' increasing animosity towards the US, it is likely that Beijing and Moscow have agreed to a certain degree of intelligence cooperation in Cuba. However, other experts do not

⁴⁹ Tai, Xizue (2006). *The Internet in China. Cyberspace and Civil Society*, London: Routledge, 102-3; Austin Greg (2014). *Cyber Policy in China*, Cambridge: Polity.

⁵⁰ Reuters, 'Snowden Got Stuck in Russia after Cuba Blocked Entry', *Reuters*, 26 August 2013.

⁵¹ However, in 2011 it only invested 7.27mn\$. ⁵¹ Mao Xianglin, Hearn Adrian H., and Liu Weiguang, 'China and Cuba. 160 Years and Looking Ahead', *Latin American Perspectives*, 42(6), 143.

⁵² Mao, Xianglin, Hearn Adrian H., and Liu Weiguang, 'China and Cuba. 160 Years and Looking Ahead', *Latin American Perspectives*, 42(6), 147.

⁵³ Munita, Thomas, 'Étonnante usine à cerveaux', *Manières de Voir*, 78-79.

⁵⁴ Jiang, Shixue, 'Ten Key Questions', In Hearn Adrian H. and León Manríquez José Luis (2011). *China Engages Latin America*, London: Lynne Rienner, 57.

⁵⁵ See Zanardi Claude, 'China's soft power with Chinese characteristics: the cases of Confucius Institutes and Chinese naval diplomacy', *Journal of Political Power*, 9(3), 2016, 431-47.

⁵⁶ Mora, Francisco, 3rd May 2017, Miami International University.

⁵⁷ Mora, Francisco, 3rd May 2017, Miami International University.

⁵⁸ Navarro, Peter, (2015). *The Coming China Wars: Where They Will Be Fought and How They Can Be Won*, Upper Saddle River: Pearson Education, 166.

⁵⁹ Ellis, Evan P. (2009). *Mexico, Central America, and the Caribbean: Strategic Position and the Taiwan Card*, London: Lynne Rienner, 242.

share this view. Mora believes that the facility is no longer important as it was during the Cold War and China uses that facility for other purposes than intelligence.⁶⁰

On the Cuban economic reforms, Susanne Gratius stresses the similarity between the limited economic reforms that Fidel Castro introduced to deal with the collapse of the Soviet block at the beginning of the 1990s (e.g.), and the second round of reforms adopted in the aftermath of the Arab Spring (2010-11).⁶¹ For instance, the self-employed (*cuentrapropistas*) who could operate during the first round of reforms 'tripled from less than 150,000 in 2010 to more than a half-million by mid-2015.'⁶² Nevertheless, following both China and Cuba became more cautious on economic reforms. The Cuban economy lacks the size of the Chinese giant and, thus, Cuba cannot rely on a vast and expanding domestic market. Furthermore, its limited trade with its neighbours does not mirror the trade that China has been developing with its neighbours. Since the alternative of adopting a North Korean model does not seem viable, the 'post-revolutionary leadership' needs to be more creative if it wants to remain in power.

Both reform processes demonstrate the reactivity of the Cuban leadership to the changes in the international environment. Reforming was and still is a necessity to stay in power and not a political plan to modernise the domestic economy. Hence, as soon as the economic collapse is avoided, there is the return to a conservative agenda.⁶³ The same swing process happens with the political reforms. For instance, they allowed the elections of the municipal representatives and deputies of the National Assembly of the Popular Power⁶⁴, but the opening remained limited and often ineffective since the elected were members of the Party. The second round of reforms acknowledged the need to update the social-economic system. Although the reforms widened and the leadership approved them at the IV Congress of the Cuban Party⁶⁵, the possibility that they may be reversed should not be discarded. Differently from China, Cuba is an island whose small economy and frontiers are much easier to control. If the leadership feels that its grasp on power is in peril or the more conservative group within the government overcomes the more reformist group, there is a clear chance of another set-back or military intervention to maintain their position.

⁶⁰ Mora, Francisco, 3rd May 2017, Miami International University.

⁶¹ Gratius, Susanne, 'Las respuestas de Europa a los cambios en Cuba: Compromiso versus Posición Común', in Alonso José Antonio, Bayo Francesc and Gratius Susanne (eds) (2011). *Cuba en tiempos de cambios*, Madrid: Editorial Complutense, 139-155.

⁶² Henken, Ted A. and Vignoli Gabriel, 'Entrepreneurial Reform, Market Expansion, and Political Opportunities for Cuba Today', In Hershberg Eric and LeoGrande William M. (eds.) (2015). *A New Chapter in US-Cuba Relations. Social, Political, and Economic Implications*, New York: Palgrave Macmillan, 161.

⁶³ Gratius, Susanne, 'Las respuestas de Europa a los cambios en Cuba: Compromiso versus Posición Común', in Alonso José Antonio, Bayo Francesc and Gratius Susanne (eds.) (2011). *Cuba en tiempos de cambios*, Madrid: Editorial Complutense, 143.

⁶⁴ Gratius, Susanne, 'Las respuestas de Europa a los cambios en Cuba: Compromiso versus Posición Común', in Alonso José Antonio, Bayo Francesc and Gratius Susanne (eds.) (2011). *Cuba en tiempos de cambios*, Madrid: Editorial Complutense, 140.

⁶⁵ Gratius, Susanne, 'Las respuestas de Europa a los cambios en Cuba: Compromiso versus Posición Común', in Alonso José Antonio, Bayo Francesc and Gratius Susanne (eds.) (2011). *Cuba en tiempos de cambios*, Madrid: Editorial Complutense, 142.

The EU-Cuban Relations in the Light of the PDCA

Even before the establishment of diplomatic relations with Cuba in 1988, the EU (European Economic Community) demonstrated to be a reliable partner by providing humanitarian and development aid since 1984.⁶⁶ This highlights the different approach that the EU adopted towards the Caribbean island compared to the US, even if the European approach was certainly affected by the American intransigent posture on Cuba. For instance, despite the 1996 adoption of the European Common Position (ECP) on Cuba that followed the Helms-Burton law, the EU displayed a consistent opposition to Washington's sanctions towards Cuba.⁶⁷

Although this should have created a positive image of the EU as an actor separated from its member states, namely from the former European colonial powers, the Cuban government never refrained from the EU to the US to gain domestic support. La Havana rejected the ECP on Cuba⁶⁸ as an unacceptable interference in its domestic affairs. Despite this rejection, the EU maintained the bilateral dialogue and never stopped its economic relations with Cuba. In June 1999, the EU 'held its first high-profile summit with all Latin American and Caribbean countries (including Cuba)'⁶⁹, and the EU-LAC summits became regular in a likely attempt to enhance the European ties with the Latin American continent. However, in 2003, the EU-Cuba relations were hit by the arrest of numerous Cuban journalists and dissidents (Black Spring). Under the pressure of some EU Member States, notably Spain, Brussels imposed diplomatic sanctions, including freezing high-level visits and downgrading member states' participation in cultural events. Nevertheless, since 2005, Madrid pressed for the suspension of diplomatic sanctions, even if Cuba had not improved its human rights record.⁷⁰ Eventually, sanctions were gradually suspended by single EU Member states and formally removed in 2008⁷¹ when Raúl Castro officially replaced Fidel Castro. In fact, the fragmentation of the EU Common Foreign and Security Policy (CFSP) coupled with the low-priority that Cuba has in the CFSP increases the role that single EU Member States with national agendas may put forward at the European level⁷² (uploading of national preferences and policies).

The EU has consistently taken a divergent position on the economic sanctions imposed by the US. In line with its nature of a civilian power, the EU has always focused on the legal nature of those measures. As China, the EU stresses that the Helms-Burton Law does not respect the principle of non-interference and the right to self-determination of the Cubans. The EU also criticises the extra-territorial nature of the US embargo and its impact on the EU-Cuban trade. Roy notes that critics from

⁶⁶ Tvevad, Jesper, In-Depth Analysis. EU-Cuba Relations: A New Chapter Begins', Directorate-General for External Policies - Policy Department, European Parliament, DGEXPO/B/Pol/Dep/Note/2017_195, July 2017-PE570.485, 6.

⁶⁷ Roy, Joaquin, 'Cuba: el papel de EE.UU., América Latina y la UE', *Pensamiento Iberoamericano*, 8, 243-73.

⁶⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31996E0697&from=EN>

⁶⁹ Smith, Karen E. (2014). *European Union Foreign Policy in a Changing World* (3rd ed.), Cambridge: Polity Press, 84. The author stresses the reactive attitude of the EU to counter the competition of the US in Latin America.

⁷⁰ Smith, Karen E. (2014). *European Union Foreign Policy in a Changing World* (3rd ed.), Cambridge: Polity Press, 2017.

⁷¹ Smith, Karen E. (2014). *European Union Foreign Policy in a Changing World* (3rd ed.), Cambridge: Polity Press, 116.

⁷² Roy, Joaquin, *The Cuban Revolution (1959-2009). Relations with Spain, the European Union, and the United States*, New York: Palgrave Macmillan. 165.

the EU and Spain contributed to compromise with Washington⁷³ and others suggest that the Europeans can 'fulfil the EU's role of bridge-builder'⁷⁴ thanks to their economic and financial dynamism and their relevance for the G77.

In 2010, the European Commission issued its first country strategy for Cuba⁷⁵, which focussed on food security, the environment, as well as on training and education. Such a country strategy and the mandate given to the first High Representative and Vice President of the European Commission to assess the future of the EU-Cuban relations demonstrate the growing Europeanisation of the European policy towards Cuba. This is also evident in the inclusion of Cuba within the African, Caribbean, and Pacific (ACP) countries, even if Cuba is not part of the EU-ACP partnership⁷⁶, and the upgrade of the EU Delegation to Cuba in 2008.⁷⁷

In fact, the Lisbon Treaty helped reduce the high level of fragmentation⁷⁸ of the CFSP. Since the EU-Cuban relations follow the EU's 'multilevel governance' that characterises the EU as a collective entity with 'different pieces of the EU puzzle (that) exert varied degrees of influence, according to national components or levels of power and influence.'⁷⁹ The subsequent creation of the European External Action Service (EEAS) in 2010 triggered a renewed intensification of the EU-Cuba relations. After a complicated settling period⁸⁰, the EEAS became a dedicated institution composed of pools of experts on different topics and geographical areas such as Latin-America. With a fresh capital of trust, the new European diplomatic service under the High Representative and Vice-President of the European Commission (HR-VP) was neither the European Parliament (EP) with its focus on human rights protection, and democracy, nor the European Commission with its preference for trade and political change in Cuba. In contrast, the EEAS was a new actor included in the relations between the EU and Cuba. Since 2014, it has been headed by the Italian Federica Mogherini: this likely contributed to the rapprochement between the EU and Cuba since Italy has a long economic and cultural exchange with the Caribbean island and was looking to further economic opportunities coming from the Cuban reforms.⁸¹

The establishment of the EEAS also helped bypass the constraints of single EU member states' conflicting policies towards Cuba. Traditionally, re-unified Germany, Sweden, Poland, the Czech

⁷³ Roy, Joaquin (2009). Roy Joaquin, *The Cuban Revolution (1959-2009). Relations with Spain, the European Union, and the United States*, New York: Palgrave Macmillan, 29.

⁷⁴ Telo', Mario, Fawcett Louise and Ponjaert Frederik (eds.) (2015). *Interregionalism and the European Union. A Post-Revisionist Approach to Europe's Place in a Changing World*, Farnham: Ashgate. 2018-19.

⁷⁵ Republic of Cuba - European Union, 'Country Strategy Paper and National Indicative Programme for the period 2011-2013', *European Commission*, 24 March 2010.

https://ec.europa.eu/europeaid/sites/devco/files/csp-nip-cuba-2011-2013_en.pdf

⁷⁶ European Commission, 'Cuba', European Commission – International Cooperation and Development.

https://ec.europa.eu/europeaid/countries/cuba_en

⁷⁷ Gratius, Susanne, 'Las respuestas de Europa a los cambios en Cuba: Compromiso versus Posición Común', in Alonso José Antonio, Bayo Francesc and Gratius Susanne (eds.) (2011). *Cuba en tiempos de cambios*, Madrid: Editorial Complutense, 148.

⁷⁸ On the fragmentation of the EU's policy towards Cuba see Roy Joaquin, 'The European Union and Cuba', In Castro Soraya M. *et al* (eds.) (2012). *Fifty Years of Revolution. Perspectives on Cuba, the United States and the World*, Gainesville: University Press of Florida, 119-20.

⁷⁹ Roy, Joaquin, *The Cuban Revolution (1959-2009). Relations with Spain, the European Union, and the United States*, New York: Palgrave Macmillan. 165.

⁸⁰ The author witnessed the creation of the EEAS when working at the European Institute for Security Studies (EUISS) in 2009-2010.

⁸¹ Ambasciata d'Italia - La Havana, 'Cooperazione Economica'[accessed 28 November 2017], http://www.amblavana.esteri.it/ambasciata_lavana/it/i_rapporti_bilaterali/cooperazione_economica/

Republic, and other Eastern European countries are sceptical of the nature of the Cuban government. At the same time, internal European issues such as the rise of populism and far-right parties, the migrant crisis and the decision of the United Kingdom to leave the EU (Brexit) following the 2016 Referendum may refocus the EU's attention towards its internal challenge instead of developing its foreign policy. However, Brexit may have a positive impact on the EU's policy towards Cuba by reducing the differences among member states. For instance, according to the president of the *Fundación Ibero-Americana Empresarial*, Josep Piqué, the retreat of both the US and the UK from Latin America represents a 'great opportunity to seal trade ties between the EU and Latin-America.'⁸² Since CELAC members backing Argentina's territorial dispute with the UK are subjects of the Queen of England, Brexit is likely to further relax the relations between the LAC countries and the EU. That issue is usually avoided when LAC meet the EU.⁸³ For example, the final declaration of the EU-CELAC summit of 2013 did not name explicitly the Falklands/Malvinas dispute. In contrast, the 2014 EU-LAC summit in La Havana recognised 'its strongest support for the legitimate rights of Argentina in the sovereignty dispute over the Malvinas'⁸⁴ and rejected the American blockade on Cuba. La Havana plays an important role within the CELAC and during that Summit the CELAC agreed to establish a CELAC-China forum, the only regional initiative on China in the entire LAC region.⁸⁵

In 2016, the EU at 28 was Cuba's main export market as well as its first trading partner with exports worth €2,257 million and imports worth €338 million.⁸⁶ This mirrors the diminishing role of Venezuela in the Cuban economy in the post-Chavez political crisis, whilst the EU remains Cuba's principal foreign investor as it accounts for a third of the tourists visiting the Caribbean island.⁸⁷

The EU Delegation in Cuba has also increased its relevance. In 2003, the EU established a representative office that became a full-fledged EU Delegation in 2008 after a period of cold bilateral relations. The signing of the PDCA in 2016 helps solve the incoherence of Cuba being included within the ACP while lacking a formal agreement with the EU. Furthermore, it signals the deepening of the Europeanisation of the CFSP towards Cuba. Nevertheless, this does not imply a growing EU's political influence in the island. For instance, not only is the EU Cuba's main provider of development aid and a reliable economic partner but it is also an important contributor to the development of cultural and social programmes in the island. Although it is difficult to measure the actual impact of those programmes on the Cubans' life, tangible results should provide the EU with a positive image among the Cubans. For instance, at the end of May 2017, the EU inaugurated a European-Cuban cultural office in La Havana.⁸⁸ This initiative aims to deepen cultural bridges between the two sides of the ocean and to offer opportunities for Cuban artists through exchanges, scholarships, and other programmes. However, this would only have an impact on common people if the EU manages to bypass the filter of the Cuban government. As it happened for the collaborations with local Non-Governmental

⁸² Muñoz, Ramón, 'Los empresarios instan a un gran acuerdo entre la UE y Latinoamérica', *El Mundo*, 29 September 2017.

⁸³ Telo', Mario, Fawcett Louise and Ponjaert Frederik (eds) (2015). *Interregionalism and the European Union. A Post-Revisionist Approach to Europe's Place in a Changing World*, Farnham: Ashgate. 218-19.

⁸⁴ CELAC, 2014: 10.

⁸⁵ Dussel, Peters Enrique and León-Manríquez 'La relación política y económica entre China y América Latina y el Caribe: Hacia una agenda en en corto, mediano y largo plazo?', In Lagos Escobar Ricardo and Iglesias Garcia Enrique (eds.) (2015). *América Latina, China y Estados Unidos*, Santiago (Chile) : Fondo de Cultura Económica, 192.

⁸⁶ European Commission – Directorate for Trade, 'European Union, Trade in goods with Cuba', European Commission, 16 November 2017. http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122460.pdf

⁸⁷ Delegation of the European Union to Cuba, 'Cuba and the EU', EEAS, 27 October 2017.

⁸⁸ Field Research in La Havana, May 2017 and personal interview with a Cuban.

Organisations (NGOs) usually set up and controlled by the Cuban authorities⁸⁹, there is the peril that only bureaucrats and people linked to the government may access those opportunities.

The EU-Cuban PDCA was negotiated from 2014 to 2016 and in 2015, Federica Mogherini was the first HR/VP to visit Cuba.⁹⁰ Endorsed by the European Parliament on 5 July 2017, the PDCA replaces the EU Common Position on Cuba that La Havana had always rejected as an unacceptable interference in its domestic affairs. Since Cuba was the only LAC country to lack a cooperation agreement with Brussels, the PDCA represents an important 'normalisation' of their relations and 'a tool for supporting a process of change and modernisation in Cuba.'⁹¹ It entered into force temporarily, on 1st November of 2017, because it needs to be ratified by all EU member states to be fully implemented.⁹²

The PDCA includes three main domains of cooperation: 1) a political dialogue (on human rights, small arms and disarmament, migration, drugs, fight against terrorism, sustainable development, etc.), 2) a cooperation and sector policy dialogue (on human rights, governance, civil society, social and economic development, environment, and regional cooperation), and 3) trade and trade cooperation (on principles of international trade, customs, trade facilitation, technical norms and standards, sustainable trade and investment).⁹³ The PDCA supports the reforms proposed by the Cuban government and may indeed help stabilise the island's economic and political systems. There is also room for expanding the European development aid to further reach the Cuban people and deal with issues such as health, the environment or climate change.

Moreover, the PDCA stresses the need to integrate Cuba in the Caribbean and more broadly in Latin-America. In fact, Cuba's island mindset and its culture of exceptionalism isolated it from its geographical region as well as from Latin America. For instance, during the Cold War, Cuba was associated with the Soviet allies. Fidel Castro claimed that Cuba had an obligation to export its revolution to Africa because most of its population reached Cuba as slaves from Africa. Therefore, since those African slaves fought for the Cuban independence, so Cuba had a duty to fight back for African countries.⁹⁴

Despite the construction of this peculiar identity (exceptionalism), Cuba has been reintegrating slowly but decisively in the Caribbean region: it is part of the Community of Latin American and Caribbean States (*Comunidad de Estados Latinoamericanos y Caribeños*, CELAC) established in December 2013. As an alternative to the Organisation of American States (OAS) from where Cuba was expelled in 1962, CELAC gave the honour of the first presidency to Cuba that hosted the Celac Summit in 2014.⁹⁵ According to Bernal-Meza, the American recognition to Cuba on 17th December 2014 (D17, Dieziseite-D) signalled the return of Washington in Latin America, but also Fidel Castro's success with the

⁸⁹ Kaufman, Purcell, Susan, Jochanan, and Rothkopf, David (eds.) (2000). *Cuba. The Contours of Change*, London: Lynne Rienner, 72.

⁹⁰ Euractiv, 'Mogherini visits Cuba to normalise ties', Euractiv.com, 23 March 2015.

⁹¹ Tvevad, Jesper, In-Depth Analysis. *EU-Cuba Relations: A New Chapter Begins*, Directorate-General for External Policies - Policy Department, European Parliament, DGEXPO/B/Pol/Dep/Note/2017_195, July 2017-PE570.485, 1.

⁹² European Commission, 'EU-Cuba: New Landmark Agreement Entering into Force on 1st November 2017', European Commission Press Release, Brussels, 31 October 2017.

⁹³ Delegation of the European Union to Cuba, 'Cuba and the EU', EEAS, 27 October 2017.

⁹⁴ Fidel Castro Speech, 'Cuban Communist Party First Congress', 22 December 1975.

⁹⁵ Baracca, Angelo and Franconi, Rosella (eds.) (2016). *Subalterinty vs Hegemony, Cuba's Outstanding Achievements in Science and Biotechnologies, 1955-2014*, Springer, 76.

strengthening of the anti-American Cuba-Venezuela alliance.⁹⁶ In March 2017, Cuba agreed to extend the trade agreement with CARICOM. Created in 1958, CARICOM welcomed Cuba in 1962 but the Cuban Revolution (1959) froze this development. Despite its limitations, CARICOM set up a Caribbean Single Market (CSM) in 2006. It may appeal to Cuba because of its lack of a political dimension since its inter-governmental nature makes it less dangerous than other regional organisations.

In May 2017, a Cuban delegation attended the annual meeting of the EU-LA Cooperation Programme on Drug Policies (Copolad) to fight drug trafficking.⁹⁷ It was organised by the CELAC and member countries of the EU in parallel to the 19th High Level Meeting of the Cooperation and Coordination Mechanism on Drugs between CELAC and the EU in Argentina.⁹⁸ This is an interesting development since cooperation on drug-trafficking already existed between the US and Cuba⁹⁹ and in January 2016, representatives from Cuba attended for the first time the 14th Caribbean Nations Security Conference with the US Southern Command (Southcom).¹⁰⁰ Since the new US administration of Donald Trump slammed that cooperation in 2017¹⁰¹, the role of the EU may acquire more importance. The cooperation between the EU and Cuba, through Copolad and bilaterally, should deal with drug trafficking from Latin America to the two main markets: the US and the EU.¹⁰² This trafficking follows new smuggling routes through the Atlantic Ocean to West Africa and up north to the European countries.¹⁰³ Cuba's geographic position makes its waters relevant for trans-shipping. Cuba has a long story of drug trafficking: Guantanamo was set up to counter piracy in the Caribbean Sea. In the 1980s, Cuba and Venezuela had common interests in drug-trafficking; for instance, a huge scandal involved several Cuban ministries, notably General Ochoa, accused of trafficking cocaine from Colombia to the U.S.¹⁰⁴ Cuban authorities may entertain relations with drug cartels as a way of obtaining funding.

⁹⁶ Bernal-Meza, Raúl, 'Las relaciones internacionales de América Latina ante un cambio de época', in Sotillo, José Angel and Ayllon Bruno (eds.) (2017). *Las Transformaciones de América Latina. Cambios políticos, socioeconomicos y protagonismo internacional*, Madrid: Los Libros de la Catarata, (120-148) 140.

⁹⁷ It included the director of International Relations at the Ministry of Justice, Claudio Ramos, the representative of the Ministry of Foreign Relations' Multilateral Affairs and International Law department Patricia Flechilla, and the third secretary at the Cuban Embassy in Argentina.

⁹⁸ Prensa Latina 'Cuba Attends EU-Latin America Drug Policy Meeting', *Prensa Latina*, 15 May 2017.

⁹⁹ Lister, Tim, 'WikiLeaks: Cables Reveal U.S.-Cuban Cooperation over Drug Smuggling', *CNN*, 17 December 2010.

¹⁰⁰ LeoGrande, William, 'Unlikely Allies: U.S. and Cuban Armed Forces', *World Policy Journal Blog*, 11 February 2016.

¹⁰¹ Woody, Christopher, 'Drug: Trump Ends Security Cooperation with Cuba Drug Trafficking in a major drug-trafficking corridor', *Businessinsider.com*, 17 June 2017.

¹⁰² There is evidence of increasing cooperation between Latin American and Chinese criminal groups. See for instance Tokatlian Juan Gabriel, 'A View from Latin America', In Roett Riordan and Paz Guadalupe (eds.) (2008). *China's Expansion into the Western Hemisphere. Implications for Latin America and the United States*, Washington D.C.: Brookings' Institute, 76.

¹⁰³ Ellis, Stephen, 'West Africa's International Drug Trade', *African Affairs*, 108(431), 1st April 2009, 171-196.

¹⁰⁴ Ramonet, Ignacio, '1989, l'Affaire Ochoa', *Le Monde Diplomatique*, September 1989, Reprinted in *Manière de Voir*, n.155, 61-63.

The Challenge of The Cuban Societal Change & The US Opening to Cuba

Domestically, the daily lives of the Cubans remain difficult. According to the United Nations Development Programme (UNDP) Human capital index (HDI)¹⁰⁵, in 2015 Cuba ranked 68 out of the UN countries (0.775). Whilst this remains a respectable ranking, from 2010 to 2015 the HDI's trend was negative (-0.13)¹⁰⁶. Good scores in health and education, with life expectancy at 79.6 years and projected years at school at 13.9, are challenged by the rapid advancement of technologies that Cuba cannot access because of a combination of high prices, lack of R&D funding, and the Party's priority to control the country. Furthermore, the isolation caused by the American embargo certainly has had an impact on the Cubans' health: for instance, in 2007 the Human Rights Council of the UN recognised that the embargo had deprived the Cuban population of the access to vital drugs and new medical and scientific technologies.¹⁰⁷ Since the American pharmaceutical companies and subsidiaries file roughly eighty per cent of the medical patents worldwide, the US embargo on Cuba deprives the islands of these progresses. Paradoxically, since 1963, Cuba's first medical brigade was dispatched to Algeria which used this activity as its primary source of foreign currency¹⁰⁸ and sent medical teams to Haiti, Nepal, and Africa during the Ebola crisis. The bulk of its medical teams are deployed in Venezuela where 40,000 Cuban medical personnel work in exchange for 90,000 barrels of oil.¹⁰⁹

Born after the end of the Cold War, the new generations of Cubans are more connected to the Cuban diaspora through the new communication technologies. Although the Cuban leadership acknowledges the importance of the Internet for economic development, it has been extremely cautious in implementing the needed reforms and infrastructure. For example, despite the creation of Wi-Fi spots in the capital and other major cities, the quality of the connection remains poor and despite the cost of connection per hour diminished, it is still very high for the Cubans. Even if companies such as Airbnb and Homestay have been developing fast in the Cuban market, individuals using those online platforms to rent their houses must afford paying the high connection cost to access the Internet on a regular basis. Since they are tolerated by the authorities¹¹⁰, they are often linked to them by personal relations or connections and their activity is carefully scrutinised. Private activities online may be shut down without explanation if it reduces the revenues of the hotels and touristic companies owned by the Cuban army. In fact, since the end of the Cold War, the army controls the key economic sector of the economy 'through state-administered umbrella companies like Gaviota, CIMEX, and Cubacanan – all coordinated by the Business Administration Group (GAESA).'¹¹¹ As in China in the 1980s and 1990s, Fidel Castro expanded the activity of the Army over the economy. Whilst this phenomenon was somehow limited by President Jiang Zemin in 1998, to restrain the rampant corruption engendered in Cuba, the role of the armed forces has been increasing together with corruption.

¹⁰⁵ United Nations Development Programme, *Human Development Report 2016*, New York: UNDP, p.199. http://hdr.undp.org/sites/default/files/2016_human_development_report.pdf

¹⁰⁶ United Nations Development Programme, *Human Development Report 2016*, New York: UNDP, 203.

¹⁰⁷ United Nations Human Rights Council, 'Situation of Human Rights in Cuba', A/HRC/4/12, 26 September 2007.

¹⁰⁸ Calco Ospina, Hernando 'Une internationale de la santé', *Le Monde Diplomatique : Manière de Voir* (Cuba. Ouragan sur le siècle), n.155, October/November 2017, 52-54.

¹⁰⁹ Salazar-Carrillo, Jorge and Nodarse-Léon, Andro (2015). *Cuba. From Economic Take-off to Collapse under Castro*, New Brunswick: Transaction Publishers, 131.

¹¹⁰ La Havana, Personal Interview, 7-12 May 2017.

¹¹¹ Sweig, Julia (2012). *Cuba. What Everyone Needs to Know*, Oxford: Oxford University Press, 136.

The Cuban government has been increasingly relying on China, namely on the Chinese company Huawei to expand and control the development of the new communications technologies. Founded in 1987 by a former People's Liberation Army's engineer, in 2015 Huawei signed a contract to provide the Cuban fiber optic network. It became the main provider of mobile phones in the island and its equipment are used both in Wi-Fi hotspots and in the first Internet service for private homes (*Nauta Home*).¹¹² Numerous and high access barriers coupled with a vast online censorship greatly reduce the freedom of expression of the Internet users. According to the UNDP, in 2015, Cuba's Internet users amounted to 31.1 per cent.¹¹³ The 2017 Freedom House report on Cuba put the Cuban Internet users up at 34 per cent.¹¹⁴ It also highlighted the high censorship of the Internet performed by Huawei.¹¹⁵

On the Cuban side, the survival of the Cuban leadership lays in the existence of an enemy. On the American side, the exceptional nature of the Cuban case compared to the American approach towards other socialist countries, such as China, Vietnam, and North Korea, demonstrates that ideology still shapes their bilateral relations.¹¹⁶ Cuba is the only socialist country that claims to have been in a revolutionary status for almost sixty years. As in North Korea, the leadership, the economy, and the society are all dominated by the military and there is a duty to resist against a recognisable enemy that unifies the population under the political leadership. However, the society presents a degree of openness that the Hermit Kingdom lacks. Gordy explains that the leadership is no longer certain about its ideology. In fact, the revolutionary principles have been constantly eroded to accommodate 'Western principles' to allow the tourist sector to grow and the private entrepreneurship to develop.¹¹⁷ Subsequently, ideology has become a sort of a habit, a way to identify themselves as Cubans, in opposition to the Americans.

Socio-economic inequality has also been increasing and the balance between the opening of the economy and a certain level of conflict with the US remains a necessity for the preservation of the regime. The new American administration's policy towards La Havana seems to serve just that need: although it did not reverse the rapprochement to Cuba of the previous democratic administration, President Trump uses harsh statements to single out the authoritarian nature of the Cuban government and its incompatibility with American values. This rhetoric coupled with new restrictions to that opening (e.g. strict requirements for American companies willing to operate in the Cuban market) make the bilateral relations more complicated.

In this changing environment, the year 2018 is particularly interesting because of the leadership change from the old revolutionary guard to a new generation of politicians. This delicate power transition overcasts a vast societal change as well as the deteriorating situation in post-Chavez Venezuela. Maduro's government turned to a repressive regime backed by both Cuba and Russia and the domestic crisis in Cuba's main Latin American partner is depriving the island of a powerful ally. Since 1997, Hugo Chavez partially replaced the vacuum left by the USSR by providing Cuba with oil in

¹¹² Hernandez, Marcelo, 'Chinese Company Huawei Dominates Cuban Cellphone Market', *Translating Cuba*, 25 March 2017.

¹¹³ United Nations Development Programme, *Human Development Report 2016*, New York: UNDP.

¹¹⁴ Freedom House, 'Freedom in The World 2017 – Cuba Profile, 14 November 2017.
<https://freedomhouse.org/report/freedom-world/2017/cuba>

¹¹⁵ Freedom House, 'Freedom in The World 2017 – Cuba Profile, 14 November 2017.
<https://freedomhouse.org/report/freedom-world/2017/cuba>

¹¹⁶ Morley, Morris and McGillion, Chris (2002). *Unfinished Business. America and Cuba after the Cold War, 1989-2001*, Cambridge: Cambridge University Press, 68, 89, 93, 153, 165, 188. See also: Ryan Greg (2018). *US Foreign Policy towards China, Cuba and Iran: The Policies of Recognition*, London: Routledge.

¹¹⁷ Gordy, Katherine A. (2015). *Living Ideology in Cuba: Socialism in Principle and Practice*, Ann Harbor: Michigan Press University, 9.

exchange of the service of Cuban doctors and teachers.¹¹⁸ As Cuba tries to diversify its economy, Russia is also playing an increasing role as a strategic partner: Moscow provides oil to replace Venezuelan oil. Hence, competition is growing to step up the relations with La Havana. Among the US experts on US-Cuba relations, several argue that the return to a hard stance towards La Havana would eventually backfire by benefiting other powers such as China and Russia. This would further limit the American influence in Latin America.¹¹⁹ A group of retired American military officers addressed a letter to Trump before the review of the new administration's US-Cuba policy calling the President not to reverse the opening to Cuba because of security reasons.¹²⁰ The letter explicitly named 'Russia, China, and other entities' as the actors opposed to the American interests in Cuba that 'will rush into the vacuum'¹²¹ left by the U.S.

Conclusions and Recommendations

The societal changes in Cuba are just at their inception. Although it is difficult to make predictions, the rise of inequality within the Cuban society may become an issue for the leadership. It has the harsh task of re-founding its political legitimacy by striking a balance between economic performance through reforms and its political stability. Not only is this balance hard to be found, it must be continuously reassessed. The political pressure from below coupled with the political change in 2018 creates uncertainty on the reforms and frames the EU policy towards Cuba in a more unstable environment.

It is unclear whether the fracture within the Cuban leadership will persist. The lack of consensus on a clear reform path may destabilise the political scenario. If the conservative forces topple the reformists, the EU might deal with a conservative turn while defending the PDCA. The European institutions have proved that they can overcome their differences on Cuba and coordinate their actions to sign the PDCA. This capacity to maintain the dialogue not only with the Cuban leadership but also among the European institutions, such as the EP, the European Commission, and the EEAS is key to enhance mutual trust between Europe and Cuba. In specific fields, there is room for expanding the EU-LAC security relations. That is the case of maritime issues. The EU Maritime Security Strategy (EUMSS) lists as maritime threats to Europe: 'cross-border and organised crime, including maritime piracy and robbery at sea, trafficking of human beings and smuggling of migrants, organised criminal networks facilitating illegal migration, trafficking of arms and narcotics, smuggling of goods and contraband.'¹²² These threats are also common to Cuba and, thus, may provide a positive ground for cooperation with the EU.

¹¹⁸ Gratius, Susanne, 'Las respuestas de Europa a los cambios en Cuba: Compromiso versus Posición Común', in Alonso José Antonio, Bayo Francesc and Gratius Susanne (eds.) (2011). *Cuba en tiempos de cambios*, Madrid: Editorial Complutense, 141.

¹¹⁹ Hodge, Nathan and Chin, Josh, 'A U.S.-Cuba Breach Presents an Opportunity for China', *The Wall Street Journal*, Josh, 29 November 2016.

¹²⁰ American Security Project's Initiative, 'Retired U.S. Military Officers Urge the White House to Expand Cuba Engagement to Strengthen U.S. National Security', *American Security Initiative*, 20 April 2017.

¹²¹ American Security Project's Initiative, 'Retired U.S. Military Officers Urge the White House to Expand Cuba Engagement to Strengthen U.S. National Security', *American Security Initiative*, 20 April 2017.

¹²² Council of the EU, *Maritime Security Strategy to Pre-empt and Tackle Challenges from the Maritime Domain*, 11203/14, Brussels, 24 June 2014, 7.

Since the Trump administration limits the US rapprochement to La Havana, the EU may push for deepening its relations with Cuba. The influence of Latin-American countries is declining (e.g. Brazil is stuck in a deep economic and political crisis and Venezuela is sobering into domestic repression). In contrast, Russia has been increasing its interest in Cuba and China and despite remaining cautious about the future of Cuban reforms, it has stepped up its investment in the Caribbean island. Rejas Rodriguez notes that external actors, such as China and the EU, have been increasing their trade and investment in Latin America.

At the same time, the intra-regional trade signals the attempt of LAC countries to diversify their exports. This has an impact on the interests and influence of the EU in those countries.¹²³ Cuba is a case in point. The two Castros' regime has been diversifying its economic relations and developing its cooperation with China, Russia, European countries, and even Iran¹²⁴ to not depend on a single economic partner. This economic diversification mirrors a foreign policy that pivots from a country to another to negotiate the best outcome. It also means that Cuba may easily shift from the EU to other countries as soon as the lasts provide more favourable conditions.

¹²³ Rodrigues, Rejas, Maria José (2017). *La Norteamericanización de la seguridad en América Latina*, Ciudad de Mexico: Edicionesakal, 171.

¹²⁴ Sweig, Julia (2012). *Cuba. What Everyone Needs to Know*, Oxford: Oxford University Press, 251.

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