



Updated September 3, 2021

Cuba: U.S. Policy Overview

Cuban Political and Economic Developments

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

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

The Cuban economy is being hard-hit by the economic shutdown associated with the Coronavirus Disease 2019 (COVID-19) pandemic; Venezuela's economic crisis, which has reduced Venezuelan financial support; and U.S. economic sanctions. The Cuban government reports the economy contracted 11% in 2020, and the Economist Intelligence Unit projects 2.2% growth in 2021. In January 2021, Cuba eliminated its dual currency system; the long-debated reform has spurred inflation, but economists maintain it should boost productivity in the long term.

Cuba's public health response to the pandemic initially kept cases and deaths low, but both increased in late 2020 and have surged in 2021. As of September 3, 2021, the country reported over 5,400 deaths, with a mortality rate of 47 per 100,000 people, according to Johns Hopkins University. Cuba has produced two vaccines, but at the end of August said that it would also start using a vaccine from China. As of September 3, 2021, Cuba had fully vaccinated 35% of its population, far from its goal of 70% by the end of August.

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

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

and assembly. The government responded with harsh measures, including widespread detentions of hundreds of protesters, activists, and journalists, according to Cuban human rights groups, which reported summary trials for some of those detained. The government blocked access to social media and messaging platforms that had been instrumental in bringing Cubans to the streets. As of September 1, 2021, the human rights group Cuban Prisoners Defenders (CPD) reported 381 political prisoners (up from 152 on July 1), with 251 imprisoned and considered prisoners of conscience by CPD, 92 under conditional release, and 38 imprisoned for other politically motivated acts.

U.S. Policy

Since the early 1960s, when the United States imposed a trade embargo on Cuba, the centerpiece of U.S. policy toward Cuba has consisted of economic sanctions aimed at isolating the Cuban government.

In late 2014, the Obama Administration initiated a policy shift away from sanctions and toward engagement and the normalization of relations. Changes included the rescission of Cuba's designation as a state sponsor of international terrorism (May 2015); the restoration of diplomatic relations (July 2015); and an easing of restrictions on travel, remittances, trade, telecommunications, and banking and financial services (2015-2016). The restoration of relations led to increased government-to-government engagement, with over 20 bilateral agreements and numerous dialogues.

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

The Biden Administration has been conducting a review of policy toward Cuba. The White House press secretary said on March 9, 2021, that although a Cuba policy shift was not among the President's top priorities, the Administration was "committed to making human rights a core pillar" of policy and would review policy decisions made in the prior administration, including the decision to designate Cuba as a state sponsor of terrorism. In May, the State Department renewed Cuba's designation as a country not cooperating fully with U.S. anti-terrorism efforts. On July 1, it cited Cuba for labor abuses associated with its foreign medical missions and continued to rank Cuba as Tier 3, the worst ranking, in its 2021 *Trafficking in Persons* report.

After Cuba's July 11 protests, President Biden and other Administration officials expressed solidarity with the protesters and strongly criticized the Cuban government for its repressive response. The Treasury Department imposed targeted sanctions on several Cuban security officials and entities (see below). The State Department joined with 20 countries to condemn the Cuban government's mass arrests and detention of protestors. Among other actions, the Administration established a working group to identify effective ways to get remittances directly to the Cuban people, held engagement sessions with members of the Cuban American community, began reviewing plans to increase staffing at the U.S. Embassy in Havana to facilitate consular services and civil society engagement with civil, and began collaborating with the private sector to identify ways to ensure Cuban citizens have internet access.

Selected U.S. Sanctions Imposed Since 2017

Restrictions on Transactions with the Cuban Military.

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

Efforts to Stop Venezuelan Oil Exports to Cuba.

In 2019, Treasury imposed sanctions on several shipping companies and vessels that transported Venezuelan oil to Cuba and Cuba's oil import-export company.

Restrictions on Travel and Remittances. Since 2019, the United States has imposed an array of restrictions on travel and remittances. On travel, these have included eliminating people-to-people educational travel, prohibiting cruise ships and private and corporate aircraft from going to Cuba, suspending commercial flights to cities other than Havana, and prohibiting U.S. travelers from staying at over 400 hotels and private residences identified by the State Department as owned or controlled by the Cuban government. On remittances, Treasury capped family remittances to \$1,000 per quarter per Cuban national; eliminated donative remittances; and prohibited the processing of remittances through entities on the "Cuba restricted list," which resulted in Western Union ceasing its operations in Cuba in November 2020.

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

Terrorism Designations. In May 2020, then-Secretary of State Pompeo (pursuant to the Arms Export Control Act) included Cuba in the annual list of countries certified as *not cooperating fully* with U.S. anti-terrorism efforts for the first time since 2015. As noted, Secretary of State Antony

Blinken included Cuba on the annual list in May 2021. In January 2021, pursuant to several laws, Pompeo designated the Cuban government as a state sponsor of international terrorism, citing Cuba's harboring several U.S. fugitives and members of Colombia's National Liberation Army.

Injuries of U.S. Embassy Personnel

Between late 2016 and May 2018, 26 U.S. Embassy Havana community members suffered a series of unexplained injuries, including hearing loss and cognitive issues. The State Department maintains the investigation into the injuries has not reached a conclusion regarding the cause or source. In December 2020, the National Academies of Sciences, Engineering, and Medicine released a report concluding the most plausible mechanism for the source of the health symptoms was directed pulsed radio frequency energy. In June 2021, the Secretary of State said the National Security Council was leading a government-wide review.

117th Congress: Legislative Initiatives

Congress has begun consideration of the Administration's FY2022 request of \$20 million for Cuba democracy and human rights programming (same as appropriated annually since FY2014) and \$12.973 million for Cuba broadcasting (same as appropriated in FY2021). On July 28, the House approved its version of the foreign operations appropriations bill, H.R. 4373 (H.Rept. 117-84), which would fully fund both programs at the requested amounts. Of the \$20 million for Cuba democracy programs, not less than \$5 million would be designated to support free enterprise, private business organizations, and people-to-people and cultural activities.

The Senate has approved three Cuba human rights resolutions: in April, S.Res. 37, expressing solidarity with the MSI; in May, S.Res. 81, honoring *Las Damas de Blanco*, a woman-led human rights group; and in August, S.Res. 310, expressing solidarity with Cubans demonstrating peacefully, condemning the government's repression, and calling for the release of those detained. The Senate also approved S. 2045 in July, which would rename the street in front of the Cuban Embassy after a Cuban democracy activist.

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

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

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