

Updated July 22, 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 July 21, 2021, the country reported 2,072 deaths, with a mortality rate of almost 18 per 100,000 people, according to Johns Hopkins University. Cuba has developed two vaccines and, as of July 21, 2021, had fully vaccinated 19% of its population, far from its goal of having 70% of the population vaccinated by 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 chanting "freedom," a reference to the country's authoritarian system. The government responded with harsh measures,

including widespread detentions of hundreds of protesters, activists, and journalists, according to Cuban human rights groups. The government blocked access to social media and messaging platforms that had been instrumental in bringing Cubans to the streets. Prior to the protest, as of July 1, 2021, the human rights group Cuban Prisoners Defenders reported 150 political prisoners (with 41 under conditional release).

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 to pressure Cuba on human rights and for its support of the Venezuelan government of Nicolás Maduro.

The Biden Administration is 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 "to carefully reviewing policy decisions made in the prior administration, including the decision to designate Cuba as a state sponsor of terrorism." Sanctions imposed under the Trump Administration remain in place. In May, the State Department renewed Cuba's designation as a country not cooperating fully with U.S. anti-terrorism efforts. In June, it cited Cuba for labor abuses associated with its foreign medical missions and continued to rank Cuba as Tier 3 in its annual *Trafficking in Persons* report (denoting countries whose governments do not fully comply with the minimum standards for combatting trafficking and are not making significant efforts to do so).

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 Administration is considering several additional measures, including working with the private sector and Congress to identify viable options to make the internet more accessible in Cuba; imposing additional targeted sanctions on designated Cuban officials responsible for violence, repression, and human rights violations against peaceful protesters; and establishing a remittances working group to identify the most effective way to get remittances directly into the hands of the Cuban people. The State Department also is reviewing plans to increase staffing at the U.S. Embassy in Havana to facilitate consular activities and engagement with civil society.

Key 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, the Treasury Department imposed sanctions on several shipping companies and vessels that transported Venezuelan oil to Cuba and sanctioned Cuba’s state-run oil import-export company.

Lawsuits Related to Confiscated Property. In May 2019, then-Secretary of State Mike Pompeo allowed U.S. nationals the right to file lawsuits against those trafficking in confiscated property in Cuba, pursuant to Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (P.L. 104-114). To date, 40 lawsuits have been filed against U.S. and foreign companies; several lawsuits have been dismissed and one reportedly is being settled.

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. Since 2019, the State Department has imposed visa restrictions on three high-ranking Cuban officials (Raúl Castro and the defense and interior ministers) and their immediate family members. Treasury imposed financial sanctions on the head of GAESA, a military holding company, in 2020, and on the interior ministry and minister in January 2021.

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

Injuries of U.S. Embassy Personnel

Between late 2016 and May 2018, 26 U.S. Embassy Havana community members suffered a series of unexplained injuries, including hearing loss and cognitive issues. 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 early June 2021, Secretary of State Blinken said the National Security Council was leading a government-wide review on the issue. (On June 7, the Senate passed S. 1828, which would provide additional authority to the Central Intelligence Agency and the State Department to provide financial support to those Americans serving abroad who experience traumatic brain injuries.)

117th Congress: Legislative Initiatives

Congress has begun consideration of the Biden 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). The House Appropriations Committee-reported foreign operations appropriations bill, H.R. 4373 (H.Rept. 117-84), would fully fund the requested amounts for both programs.

In April and May 2021, the Senate approved two Cuba human rights resolutions: S.Res. 37, expressing solidarity with the MSI, and S.Res. 81, honoring *Las Damas de Blanco*, a woman-led nonviolent human rights group. In the aftermath of Cuba’s July 2021 protests, four human rights resolutions have been introduced: H.Res. 527, H.Res. 529, H.Res. 534, S.Res. 303, and S.Res. 310.

Among introduced bills, H.R. 198 would permit Cuban nationals to play professional baseball in the United States; 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; and S. 2138 would allow certain Cuban medical personnel working in third countries admission into the United States.

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

Mark P. Sullivan, Specialist in Latin American Affairs

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.