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# 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.

Miguel Díaz-Canel succeeded Raúl Castro as president in 2018 and as head of the Cuban Communist Party (PCC) at its eighth party congress in April 2021. The departure of Castro and other older leaders from the PCC's Politburo reflects the generational change in Cuban leadership that began several years ago. While in power (2006-2018), Raúl Castro (who succeeded his brother, longtime leader Fidel Castro) began to move Cuba toward a 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 almost 11% in 2020 and estimates 2% growth in 2021. Some economists estimate virtually no growth in 2021 but project over 3% growth in 2022. This forecast could change due to the impact of Russia's invasion of Ukraine on the global economy and on Russia's economic linkages with Cuba. In early 2021, Cuba unified its dual currency system; the long-debated reform spurred inflation, with some estimates from 300% to 500% in 2021.

Cuba's public health response to the pandemic initially kept cases and deaths low, but both increased in late 2020 and surged until August 2021. The country experienced another surge in cases in January 2022 due to the Omicron variant, but deaths remained low because of high vaccination rates. As of May 12, 2022, Cuba reported 8,529 deaths since the pandemic began (with one of the lowest mortality rates in the hemisphere) and had fully vaccinated almost 88% of its population with its own COVID-19 vaccines.

**Increased Repression.** Beginning in November 2020, the government cracked down on the San Isidro Movement (MSI), a civil society group opposed to restrictions on artistic expression. On July 11, 2021, anti-government demonstrations broke out in Havana and cities and towns throughout the country, with thousands of Cubans protesting economic conditions (food and medicine shortages, blackouts) and long-standing concerns about the lack of freedom of expression. The government responded with harsh measures, including widespread detentions of more than 1,000 protesters, civil society activists, and

bystanders. Hundreds of the July 11 protestors have been tried and convicted, with more than 120 to date receiving sentences of more than 10 years. As of early May 2022, the human rights group Cuban Prisoners Defenders (CPD) reported that Cuba had 1,015 political prisoners (up from 152 on July 1, 2021), of which 776 were imprisoned and considered prisoners of conscience by CPD, 209 were under some form of conditional release, and 30 were 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.

In its initial months, the Biden Administration announced it was conducting a review of policy toward Cuba. The White House press secretary said in March 2021 that the Administration would make 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 the aftermath of the Cuban government's harsh response to the July 11 protests, President Biden and other Administration officials expressed solidarity with the protesters and criticized the government's repression. In July and August 2021, the Treasury Department imposed four rounds of targeted financial sanctions on Cuban security entities and officials involved in actions to suppress the protests. In November 2021 and January 2022, the State Department imposed visa restrictions on officials implicated in suppressing a planned civic march and those involved in the imprisonment of the July 11 protesters. The

Administration also established a working group to identify effective ways to get remittances directly to the Cuban people and began reviewing plans to increase staffing at the U.S. Embassy in Havana to facilitate consular services.

Driven by Cuba's difficult economic conditions and political repression, irregular Cuban migration to the United States has surged over the past year. In FY2021, U.S. Customs and Border Protection reported 39,303 border enforcement encounters of Cubans at the Southwest border. In the first six months of FY2022, Cuban encounters rose to 79,835. U.S. maritime interdiction of Cubans also has increased but at lower levels, with the Coast Guard reporting 838 interdicted in FY2021 and 1,536 in the first seven months of FY2022. U.S. and Cuban officials held migration talks in April 2022 (the first such talks since 2018) on the implementation of bilateral migration accords. In early May 2022, the U.S. Embassy in Havana resumed limited immigrant visa services.

### Selected U.S. Sanctions Imposed Since 2017

**Transactions with the Cuban Military.** In 2017, the State Department published a list of entities controlled by the Cuban military, intelligence, or security services with which direct financial transactions would disproportionately benefit those services or personnel at the expense of the Cuban people or private enterprise. This "Cuba restricted list" includes 231 entities (ministries, hotels, businesses).

**Travel and Remittances.** Since 2019, increased U.S. restrictions have included eliminating people-to-people educational travel, prohibiting travel by cruise ships and private and corporate aircraft, suspending commercial flights to cities other than Havana, and prohibiting U.S. travelers from staying at over 400 hotels and private residences identified as owned or controlled by the Cuban government. In 2020, a prohibition against processing remittances through "Cuba restricted list" entities resulted in Western Union terminating services to Cuba.

**Terrorism Designations.** Since May 2020, pursuant to the Arms Export Control Act, the Secretary of State has included Cuba on an annual list of countries certified as *not cooperating fully* with U.S. anti-terrorism efforts. In early January 2021, pursuant to several laws, the Secretary of State designated Cuba as a state sponsor of international terrorism, citing its harboring of several U.S. fugitives and members of Colombia's National Liberation Army.

### Injuries of U.S. Embassy Personnel

Between late 2016 and May 2018, 26 U.S. Embassy Havana community members suffered a series of unexplained injuries, including hearing loss and cognitive issues. 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. U.S. officials maintain that investigations into the cause or source of these anomalous health incidents have not reached a conclusion. A number of U.S. government and military officials worldwide have reported these symptoms since 2016. Congress enacted legislation (P.L. 117-46) in September 2021 authorizing payment to Central

Intelligence Agency and State Department personnel who experience certain brain injuries. The National Defense Authorization Act for FY2022 (P.L. 117-81), approved in December 2021, has provisions to address health care and treatment, national security challenges, and U.S. government coordination of the response to the incidents.

### 117<sup>th</sup> Congress: Legislative Action on Cuba

For FY2022, the Biden Administration requested \$20 million for Cuba democracy programming (same as provided annually since FY2014) and \$12.973 million for the Office of Cuba Broadcasting, or OCB (same baseline as appropriated in FY2021). In the Consolidated Appropriations Act, 2022 (P.L. 117-103, Division K), and its explanatory statement, Congress fully funded the Administration's OCB request, although it did not specify an amount for Cuba democracy programming. The explanatory statement included several directives and reporting requirements on Cuba and directed Federal agencies and departments to comply with directives and reporting requirements included in H.Rept. 117-84 to H.R. 4373 (the House-passed foreign aid appropriations bill). For FY2023, the Administration requested \$20 million for Cuba democracy funding and \$13.432 million for the OCB.

On human rights, the House and Senate approved H.Res. 760 and S.Res. 310, in November and August 2021, respectively; both resolutions expressed solidarity with Cubans demonstrating peacefully, condemned Cuba's acts of repression, and called for the immediate release of arbitrarily detained Cuban citizens. The Senate also passed: S.Res. 37 in April, expressing solidarity with the MSI; S.Res. 81 in May, honoring *Las Damas de Blanco*, a woman-led human rights group; S. 2045 in July, which would rename the street in front of the Cuban Embassy after a democracy activist; and S.Res. 489 in January 2022, commending Cuban pro-democracy and human rights activists, including José Daniel Ferrer García.

Among other bills, H.R. 198 would permit Cuban nationals to play U.S. professional baseball; H.R. 287, S. 689, and S. 3468 would prohibit the rescission of Cuba's designation as a state sponsor of terrorism until Cuba satisfies certain conditions; H.R. 6907 would direct the Secretary of Homeland Security to reinstate the processing of applications for parole under the Cuban Family Reunification Parole Program, and H.R. 2684 would establish such a program in U.S. immigration law; 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; H.R. 5069 would direct the Secretary of State to facilitate unrestricted internet access in Cuba; and H.R. 5557/S. 2990, among its provisions, would impose sanctions on foreign persons for engaging in certain transactions related to 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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