



Cuba: Challenges for U.S. Policymakers in 2021

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Among the challenges facing the Biden Administration and the 117th Congress is the future direction of U.S. policy toward Cuba. Most observers expect the Biden Administration to shift policy to focus on engagement and away from the numerous sanctions imposed by the Trump Administration. During the U.S. election campaign, then-candidate Joe Biden said he would reverse the “[failed Trump polices that have inflicted harm on the Cuban people and done nothing to advance democracy and human rights.](#)” Both the [White House](#) and the [State Department](#) maintain that U.S. policy toward Cuba is to be governed by two principles: one grounded in support for democracy and human rights; and one recognizing that Americans, especially Cuban Americans, are the best ambassadors for advancing freedom and prosperity in Cuba.

Cuba remains a one-party authoritarian state with a state-dominated economy. President Miguel Díaz-Canel succeeded Raúl Castro as president in 2018 and is expected to succeed Castro as head of Cuba’s Communist Party at the next party congress in April 2021. A November 2020 government crackdown on the [San Isidro Movement](#), a civil society group opposed to restrictions on artistic expression, focused international attention on Cuba’s [poor human rights record](#). The Cuban economy, estimated by the Cuban government to have [contracted 11% in 2020](#), has been hard-hit by the economic effects of the Coronavirus Disease 2019 (COVID-19) pandemic, reduced support (especially oil) from Venezuela, and increased U.S. economic sanctions. Over the past decade, Cuba’s implementation of market-oriented economic reforms has been slow. In January 2021, however, the government carried out a [long-anticipated currency reform](#) and in February, announced an [expansion of permissible small private-sector businesses](#), although many activities will still be restricted.

U.S. Policy Background

Since the early 1960s, the centerpiece of U.S. policy toward Cuba has been [economic sanctions](#), including a trade embargo, initially aimed at isolating Cuba’s government as it moved toward close relations with the Soviet Union during the Cold War. Congress has played an active role in shaping the policy, including by enacting legislation to tighten—and at times ease—U.S. economic sanctions. The [Cuban Liberty and Democratic Solidarity \(LIBERTAD\) Act of 1996](#) (P.L. 104-114) includes a variety of measures to increase pressure on Cuba, provides for a plan to assist Cuba once it begins a transition to democracy, and sets

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forth political and human rights conditions for lifting economic sanctions. The [Trade Sanctions Reform and Export Enhancement Act of 2000](#) (P.L. 106-387, Title IX) authorizes U.S. agricultural exports to Cuba but prohibits U.S. government export assistance and private financing for such exports.

Shift Toward Engagement Under the Obama Administration

In late 2014, the Obama Administration initiated a [Cuba policy shift](#) away from sanctions and toward normalized relations. Changes included the [rescission of the Cuban government's designation as a state sponsor of international terrorism](#) (2015); the [restoration of diplomatic relations](#) (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, including over 20 bilateral agreements and numerous dialogues.

Return to Sanctions-Focused Policy Under the Trump Administration

In 2017, President Trump unveiled his Administration's Cuba policy in a [national security presidential memorandum](#) that introduced new sanctions and rolled back efforts to normalize relations in order to encourage the government to improve political and economic rights. The Administration restricted financial transactions with entities controlled by the Cuban military, intelligence, and security services; and the State Department's "[Cuba restricted list](#)" was updated several times, most recently in January 2021. In 2017, the State Department significantly [reduced the staff](#) of the U.S. Embassy in Havana in response to [unexplained health injuries](#) of members of the U.S. diplomatic community. The reduction affected embassy operations, especially visa processing.

From 2019 to January 2021, the Administration increased sanctions, especially on remittances and travel, to pressure Cuba on human rights and for supporting the authoritarian Venezuelan government of Nicolás Maduro. Restrictions on remittances led to the [closure of more than 400 Western Union offices](#) in Cuba in November 2020. Restrictions on travel eliminated people-to-people educational travel, prohibited cruise ship travel, limited flights, and prohibited U.S. travelers from staying at hundreds of properties [identified by the State Department](#) as owned or controlled by the Cuban government. Other sanctions include restrictions on U.S. commercial engagement with Cuba and efforts to stop Venezuelan oil exports to Cuba. In January 2021, then-Secretary of State Pompeo [designated the Cuban government as a state sponsor of international terrorism](#). He justified the decision by noting Cuba has harbored several U.S. fugitives since the 1970s and several members of Colombia's National Liberation Army, a U.S.-designated foreign terrorist organization, since 2017.

117th Congress

Any change in U.S. policy toward Cuba in the Biden Administration will likely be the subject of congressional debate and oversight. Past congresses supported U.S. funding for [human rights and democracy programs](#) and U.S.-government sponsored [broadcasting](#) to Cuba as well as resolutions expressing concern about human rights, but views often diverged regarding the best approach to influence the Cuban government's behavior. These differing approaches may continue in the 117th Congress. Some experts contend that [engagement](#) is more effective in advancing human rights and economic reform and call for the Administration to reverse recent sanctions decisions, reestablish bilateral dialogues and cooperation on areas of mutual interest, and conduct [high-level direct diplomacy](#) for resolving long-standing disputes (for example, S. 249 would lift sanctions and call for negotiations on property claims and human rights). Others maintain that [sanctions have led to some positive Cuban economic reforms](#) and that the United States should continue pressuring the Cuban government until it fulfills the conditions set forth in the LIBERTAD Act (for example, H.R. 287 would prohibit the rescission of Cuba's state sponsor of terrorism designation until such conditions are met).

Also see CRS In Focus IF10045, *Cuba: U.S. Policy Overview*; CRS Report R45657, *Cuba: U.S. Policy in the 116th Congress and Through the Trump Administration*; CRS Report R43835, *State Sponsors of Acts of International Terrorism—Legislative Parameters: In Brief*; and CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*.

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