



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 has been hard-hit by the economic shutdown associated with the Coronavirus Disease 2019 (COVID-19) pandemic; Venezuela's economic crisis, which has reduced support from that country; and U.S. sanctions. Cuba reports the economy contracted by 10.9% in 2020, grew by 1.3% in 2021, and is projected to expand by 4% in 2022. Some economists estimate a slight contraction 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 food and fuel prices. In early 2021, Cuba unified its dual currency system; the long-debated reform spurred inflation, estimated at almost 300% by the end of 2021 but forecast to decline to 10% by the end of 2022, according to the Economist Intelligence Unit.

Cuba's public health response to the pandemic initially kept cases and deaths low, but both surged in the summer of 2021. The country experienced another surge in cases in early 2022, but deaths remained low because of high vaccination rates. As of early August 2022, Cuba reported over 8,500 deaths since the pandemic began (with one of the lowest mortality rates in the hemisphere) and had fully vaccinated 88% of its population with its own 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 throughout the country, with thousands of Cubans protesting economic conditions (food and medicine shortages, blackouts) and long-standing concerns about the lack of political freedoms. The government responded with harsh measures, including widespread detentions of protesters, civil society activists, and bystanders. Hundreds of the July 2021 protestors have been tried and convicted, including more than 25 minors. The human rights group Cuban Prisoners Defenders (CPD)

reported that Cuba had 999 political prisoners at the end of June 2022 (up from 152 on July 1, 2021), of which 730 were imprisoned and considered prisoners of conscience by CPD, 240 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. 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 eased restrictions on travel, remittances, trade, telecommunications, and banking and financial services (2015-2016). In contrast, the Trump Administration introduced new sanctions in 2017, 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.

In its initial months, the Biden Administration announced it was conducting a review of policy toward Cuba, with human rights a core pillar, and would review policy decisions made by the prior Administration. In the aftermath of the Cuban government's harsh response to the July 11 protests, the Biden Administration criticized Cuba's repression and imposed targeted sanctions on those involved. In July and August 2021, the Treasury Department imposed four rounds of financial sanctions on three Cuban security entities and eight officials. Between November 2021 and July 2022, the State Department announced four rounds of visa restrictions against 50 individuals involved in repressing protesters.

In May 2022, the Administration announced several Cuba policy changes aimed at increasing support for the Cuban people. The Administration increased immigrant visa processing at the U.S. Embassy in Havana and said it would reinstate the Cuban Family Reunification Parole (CFRP) program. It eased travel restrictions by reauthorizing scheduled and charter flights to cities beyond Havana and reinstating group people-to-people travel. It eased restrictions on sending cash remittances by eliminating the dollar and frequency limits for family remittances and reauthorizing donative remittances to Cuban nationals. The Administration also announced that it would increase support for independent Cuban entrepreneurs.

Increased Irregular Migration. 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 almost 39,000 border enforcement encounters of Cubans at the Southwest land border. In the first nine months of FY2022, Cuban encounters at the Southwest land border rose to over 155,000. U.S. maritime interdiction of Cubans also has increased, with the Coast Guard reporting 838 interdictions in FY2021 and over 3,700 in FY2022, as of early August 2022. U.S. and Cuban officials held migration talks in April 2022 (the first such talks since 2018) on the implementation of bilateral migration accords.

Selected U.S. Sanctions

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, U.S. restrictions have prohibited travel by cruise ships and by private and corporate aircraft. Since 2020, most U.S. travelers have been prohibited 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 its 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.

117th Congress: Legislative Action on Cuba

For FY2022, the Biden Administration requested \$12.973 million for the Office of Cuba Broadcasting (OCB) and \$20 million for Cuba democracy programming. 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.

For FY2023, the Administration requested \$13.432 million for OCB and \$20 million for Cuba democracy funding. The House Appropriations Committee’s reported FY2023 foreign aid appropriations bill, H.R. 8282 (H.Rept. 117-401), would provide \$12.973 million for OCB (same as for FY2022), while an explanatory statement to the Senate bill, S. 4662, would recommend \$13.891 million. The House bill would provide \$20 million for democracy programs, with not less than \$5 million to support private enterprise, private business organizations, and people-to-people educational and cultural activities; the bill would also provide for the operation of, and improvements to, U.S. diplomatic facilities in Cuba, and costs associated with additional U.S. diplomatic personnel.

On July 20, 2022, the House rejected (163-260) an amendment (H.Amdt. 300) to H.R. 8294, a six-bill FY2023 appropriations measure that would have prevented any funds from being used to enforce a U.S. sanctions provision prohibiting private financing for U.S. agricultural exports.

On human rights, the House and Senate approved H.Res. 760 and S.Res. 310, in November and August 2021, respectively; both condemned Cuba’s repression, and called for the release of those detained. The Senate also passed S.Res. 37 in April 2021, expressing solidarity with the MSI; S.Res. 81 in May 2021, honoring *Las Damas de Blanco*, a woman-led human rights group; S. 2045 in July 2021, to rename the street in front of the Cuban Embassy after a democracy activist; and S.Res. 489 in January 2022, commending Cuban democracy and human rights activists.

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 reinstatement of processing CFRP program applications, and H.R. 2684 would establish the 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*; CRS Insight IN11937, *Biden Administration’s Cuba Policy Changes*; and CRS Report R45657, *Cuba: U.S. Policy in the 116th Congress and Through the Trump Administration*.

Mark P. Sullivan, Specialist in Latin American Affairs

IF10045

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.