

Activity Brief
19 February 2009
Madrid

FRIDE
FUNDACIÓN
PARA LAS RELACIONES INTERNACIONALES
Y EL DIÁLOGO EXTERIOR

Canada



Foreign Affairs and
International Trade Canada

Affaires étrangères et
Commerce international Canada

Spain and Canada's Dialogue with Cuba

About FRIDE

FRIDE is an independent think-tank based in Madrid, focused on issues related to democracy and human rights; peace and security; and humanitarian action and development. FRIDE attempts to influence policy-making and inform public opinion, through its research in these areas.

This event was organised by FRIDE in Madrid on 19 February 2009, under the aegis of the Ministry of Foreign Affairs of Canada and in collaboration with the Canadian Foundation for the Americas (FOCAL) and "Casa de América". The symposium, which was comprised of a meeting behind closed-doors and a public debate, was mainly aimed at gathering academic experts and public officials from Canada, Spain and Cuba to exchange views on their economic and political trilateral relations. Furthermore, the island's current situation was analysed and potential scenarios were designed. Debates focused on the policies of Cuba's two key partners and on the possibilities and limitations of coordination in the sphere of diplomacy, cooperation and economic exchange.

Canada: Cuba's constant partner

Cuba has been Canada's main gate to Latin America, and Havana considers Canada a privileged partner. Since the establishment of diplomatic relations in 1948, the relationship between Canada and Cuba has been continuous. The immutability in Canada's stance has led to it being known as Cuba's "constant partner", in contrast to the remaining countries of this hemisphere (save Mexico), who chose the path of diplomatic isolation when Cuba was suspended from the Organisation of American States (OAS) in 1962.

Being a constant partner implies, above all, the implementation of a constructive engagement policy subject to no prerequisites or democratic conditions. Nonetheless, Canada has implemented a policy of principles by including the issue of human rights in its political dialogue with the Cuban government and by means of its relations with the island's civil society.

Even today, Cuba symbolises Canada's establishment of political distance vis-à-vis Washington. Despite the fact that the United States represents 85 percent of its total trade, Canada has defended its political independence and has always refused to support sanctions or to yield to external pressures. Unlike the stance of the United States, Ottawa's relationship with Havana has given rise to close bilateral ties. In addition to official dialogue, two spaces of non-governmental cooperation have been established between Canadian NGOs and Cuban civil society organisations.

This policy of commitment turned Canada into one of the island's most important economic partners. In the mid-nineties, Canada became the first investor, the first source of tourism to Cuba and one of its most important donors.¹ Currently, Cuba is Canada's first

Caribbean market, with business investments of circa 2,000 million dollars and shares in 50 mixed businesses. In 2008, some 800,000 Canadian tourists (35 percent of the total figure) visited Cuba.

With regard to the experience of Canadian companies in Cuba, it was noted that foreign direct investment (FDI) is mainly focused on a single sector, that of nickel, and one single multinational, Sherrit. Likewise, a warning was sounded on the high risks involved in investing in Cuba given the existing legal insecurity, the dependency on the Cuban government (its decision making power on the issue of mixed business) and the implementation of extraterritorial sanctions (amongst others, against Sherrit).

This steady record of diplomatic relations contrasts with clear ups and downs in the areas of cooperation in development and political dialogue, including on human rights. It was acknowledged that Canadian efforts in Cuba to advocate respect for human rights had not proved very successful and that little progress towards full respect for political freedom had been achieved. This led to several periods characterised by distant political relations between both countries and an ensuing reduction in cooperation flows.

Three distinct stages may be recognised in the policy of Canada towards Cuba:

- 1) Honeymoon: In the seventies, when the government was led by Pierre Trudeau, there was a considerable rapprochement in their relations. It was then that cooperation started at the level of organised civil society in both countries. In 1971, official cooperation was opened and Prime Minister Trudeau visited Havana for the first time in 1976. However, Cuban policy in Angola and the lack of progress in political freedoms resulted in the long suspension (1978-1994) of cooperation with the island.
- 2) Constructive engagement: Throughout this period, cooperation resumed and diplomatic ties intensified with the occasion of the visits of Prime Minister Jean Chretien (1998) and his Chancellor Lloyd

¹ Canada's cooperation flows amount to approximately 12 million dollars per year.

Axworthy (1997) to the island. Trade relations, tourism, investment and counselling also expanded. In spite of the progress, in 1999 relations cooled down, giving way to a renewed decrease in cooperation and political dialogue.

- 3) Principled engagement: In view of the prospects for change in Cuba, there was a re-launch of constructive engagement, starting in 2005. Dialogue on public policies and state modernisation began and local development was included as a cooperation issue. Stephen Harper's government set the Americas as a priority in his foreign policy. He clearly stated his government's intention to aim at stressing political principles in guiding Canada's relationship with Cuba.

One of the speakers characterised these ups and downs by comparing Canada's "constant partner" image to its "frustrated partner" one. Canada's frustration at failing to promote human rights on the island has become an obstacle in the relations between the two countries, with ensuing periods of distancing. In view of the poor results in advancing human rights – prison conditions, the death penalty, the criminal code and the more than 240 people imprisoned on political grounds – one of the speakers qualified the Canadian-Cuban political dialogue as a failure and not as something to be idealised.

In spite of these setbacks, Canada – in comparison with other partners – has maintained a steady state policy vis-à-vis the Cuban regime. If it is true that different circumstances have led to slight variations in the tone of Canadian discourse, it is no less true that the ultimate message of an unconditional policy of engagement has remained steady over the last sixty years. There is an essential difference between this policy and the stance adopted by Spain, in that neither public opinion nor the political elites in the latter country have managed to reach a consensus on the issue of Cuba.

Spain: a privileged partner and a bridge to Europe

Spain and Cuba maintain very strong structural relations, both from a cultural-historical perspective and in relation to the economy and cooperation. Spain is Cuba's third trade partner after Venezuela and China – the second if we exclude energy products – and its second largest investor. Similarly, the initiatives and projects of the Spanish cooperation, as well as those of regional and non-governmental organisations, make Spain one of Cuba's leading partners with regard to cooperation for development and disaster prevention.

Regardless of the government's political creed, economic relations have been an immutable pillar in both countries' relationship. Spanish companies, such as Altadis, Iberia, Aguas de Barcelona or Sol-Melià, have carried out important investments in Cuba since the nineties and have shares in mixed business. Cuba is Spain's third market in Latin America and the Caribbean.

The fluidity of economic relations contrasts with the changes in official relations between the two governments. This separation between economic and political agendas has prevented a more coherent stance from being articulated on the Spanish side. It was also noted that, unlike Canada, Spain does not have a state policy towards Cuba,² which has caused constant variation in the attitude of different Spanish governments toward the Cuban regime.

Madrid has alternated between the socialist government's policy of incentives and that of diplomatic pressure adopted by the *Partido Popular*; examples of the latter may be found during the 1996

² See Domínguez, J.I. and Gratius, S. "Foro España-Cuba: La política española ante la Cuba del futuro" (Forum Spain-Cuba: Spanish policy and the future of Cuba), FRIDE Activity Brief, October 2006.

and 2003 crises that afflicted Spanish-Cuban relations. Nonetheless, Spain, like Canada, has never conditioned its relationship with Cuba on democratic prerequisites – Cuba is a full member of the Ibero-American Community and hosted its 1999 Summit in Havana.

As regards official cooperation, which was interrupted between 2003 and 2007 within the EU by the unilateral decision of Fidel Castro, emphasis was placed on the importance and continuity of decentralised cooperation between Cuba and Spain through NGOs and autonomous governments, with Andalusia, the Basque Country and Galicia standing out with contributions that, in each case, exceeded one million euros. It was reported that, by virtue of the recent agreement reached at the bilateral Mixed Commission, Spain will dedicate approximately 23.5 million euros to cooperation with Cuba; the projects will focus on infrastructure, the environment, social development and the economic/entrepreneurial sector, among other areas. According to the Directive governing Spanish cooperation, approved in February 2009, Cuba belongs to the group of middle-income countries which together receive 15% of Spanish Official Assistance to Development.

The decision of Zapatero's government to resume bilateral cooperation with Cuba – including a human rights dialogue – comes in response to the poor outcome of the policy of pressure and denouncement held by the previous government under Aznar. Minister Miguel Angel Moratinos' visit to the island in April 2007 resulted in the re-establishment of official cooperation relations and a regular political dialogue was launched on different issues, including that of human rights.

The current government has adopted a more discreet policy, avoiding any grandiloquent discourse on the human rights situation in Cuba, thus facilitating a return to normal relations not only between Spain and Cuba, but also between the latter and the EU (an agreement was recently signed to re-establish the European Commission's official cooperation).

In the face of this constructive engagement policy, Canada, basing its comments on its own experience, warned that political dialogue will hardly lead to visible results and progress in the absence of important incentives. Some participants were of the opinion that Spain would be better off following Canada's steps and defining a state policy, launching a debate that would integrate all political options and be designed to reach agreement on a stable stance, in order to put an end to the volatility of Madrid's stance vis-à-vis Havana.

The EU's conditional engagement policy

Brussels, to a certain extent, mirrors Madrid with regard to its Cuba policy. But at the same time, Cuba is an example of Spain's potential and limitations when it comes to leading the EU's Latin American policy. Paradoxically, it was Spain that promoted the adoption of the Common Position in 1996, which reinforced democratic conditionality as a governing principle in EU-Cuba relations - a policy that Madrid neither applies bilaterally nor within the framework of the Ibero-American Community.

It was José María Aznar's conservative government that pushed the EU to adopt a Common Position on the issue of Cuba, a position that was "toned down" by Member States after intense debate. The Common Position was approved in the same year as the Helms-Burton Act was approved in the United States, suggesting a close interaction between the two, even more so given that, the following year, Washington and Brussels signed an understanding limiting implementation of the extraterritorial sanctions of the Helms-Burton Act to European Companies.

In 2003, the same Aznar government also instigated the adoption of new measures (inviting political dissidents to national holiday events, limiting cultural and diplomatic contacts and decreasing cooperation) in response to a wave of repression of political

dissidents by Cuban authorities. In June 2008, after an arduous debate, it was again a Spanish initiative that led to the suspension of those measures.³

In June of this year, the EU will review the Common Position on Cuba, this time under the Czech presidency. Some participants speculated on the unlikely probability of a modification of the document, especially now that the pressure exerted by the US has diminished under Obama's leadership. It is expected that Spain, along with the Czech Republic (which has consistently sought for greater pressure to be exerted on the island's government), will lead this new European debate on Cuba.

Finally, there were dissenting opinions on the issue of whether or not the EU is an important economic and political partner for Cuba. While some referred to Cuba's new partners, such as China and Venezuela, as an alternative to the EU, others underlined the greater weight of the close historical and cultural ties of the island with Europe.

Similarities, differences and potential for cooperation

Canada, on account of its policy, and Spain, because of its historical and cultural ties, are Cuba's privileged partners. All participants agreed that this opens up a window of opportunity for greater bilateral and trilateral coordination, which should be maximised for mutual benefit. Some participants noted, nevertheless, that Cuba favoured individual rather than triangular relations; a clear example is found in the relations established by Cuba within the framework of UNDP, where its authorities clearly favour the bilateral or multilateral setting rather than the trilateral one.

³ See Bayo, F. And Gratius, S. "La UE reabre una nueva etapa en sus relaciones con Cuba" (The EU reopens a new phase in its relations with Cuba), FRIDE Comment, June 2008.

When comparing Canada's and Spain's policies towards Cuba, it becomes clear that their strategies serve as a role models for relations with Cuba, while the "wall" erected by the United States has had the absurd effect of blocking any external opening. Contrary to that of Washington, the stance taken by Canada and Spain is one of keeping channels open and maintaining a presence in Cuba. In spite of slim political results, this constructive engagement policy has entailed important economic benefits for all three partners.

Although this is a matter of internal politics, given the absence in Spain of a state policy towards Cuba, the current government is implementing Canada's constructive engagement policy based on three pillars: political dialogue, cooperation and economic exchange. Likewise, both Canada and Spain reject a sanction-based policy and have recognised the nationalisations carried out by the Cuban Revolution, and the social achievements regarding health and education.

Both Canada and Spain have experienced a feeling of powerlessness when promoting economic and political progress within the Cuban regime. Likewise, both countries have witnessed and rejected the counterproductive effects of policies of pressure (and sanctions) regarded by Cubans as an intervention in their domestic affairs. Ultimately, the governments of both countries also assume that their ability to influence the Castro regime is very limited.

Given their regional and international positions, Spain and Canada could nevertheless, at least theoretically, play a mediating role between the United States and Cuba, once channels for dialogue are open. Canada and, to a lesser degree, Spain are perceived as middle-size powers with mediating potential. Both are, to a certain extent, "sandwich" countries, a quality that places them in a position of dialogue facilitators: Canada, on account of its position between Latin America and the United States; and Spain, because of its dual European and Ibero-American identity.

Notwithstanding similarities, there are also important differences when comparing the policies adopted by

Canada and Spain. Among them, the silent diplomacy favoured by Ottawa as opposed to the “loud diplomacy” that, until the arrival of Prime Minister Rodríguez Zapatero in power, had characterised the Spanish discourse towards the island. This is due to the fact that in Spain, as is the case in the United States, Cuba – the last Spanish colony in the Americas – represents a domestic political issue, owing to strong emotional ties to the island.

For different reasons, Canada and Spain are fundamental partners for Cuba and exercise similar engagement policies. This consensus opens up both bilateral and trilateral avenues for cooperation. A real possibility would be to collaborate with Cuba in coordinating its cooperation with Haiti, where all three countries hold a presence.

Furthermore, this opens up the potential for coordinating the actions of Canada and Spain and/or their inclusion as observers within the two existing spaces for multilateral action in the region: the South American and the Inter-American. While a member of the first space, Cuba’s membership of the Inter-American Development Bank (IDB), the Summits of the Americas and the OAS is still pending.

The United States factor

Several participants shared the view that the United States constitutes the main external factor affecting Cuba, which also conditions the policies of Canada and Spain towards the island. One of the speakers went so far as to state that the policies of Canada and Spain were both designed taking into account the stance of the United States, as the cornerstone of the geo-political scheme around Cuba.

It was commented that only a change in Washington’s stance would render effective the constructive engagement policy, as otherwise the Cuban regime

would prolong its use of sanctions to build a foreign enemy and to argue against all political or economic openings. It was argued that, without putting an end to this policy of sanctions, “western” and transatlantic (the quintet comprised by LAC,⁴ Canada, United States, Spain and the EU) policies towards Cuba would never be effective.

Following this line, one of the speakers noted that the correlation of external and internal forces (external and internal blockage) does not contribute to change in Cuba. Resistance against the United States constitutes today’s main external factor for internal cohesion that explains the survival of the Cuban regime beyond Fidel’s separation from politics. Cuba’s excellence in managing international relations was mentioned as having built a foreign policy which is highly functional and beneficial to the interest of the regime; a clear example of this is how the Revolution has obtained finance and support through different external alliances, first with the now extinct USSR, thereafter with China, and currently with Venezuela.

Some speculated on Canada and Spain’s highly probable loss of influence in Cuba, once Washington’s sixty-year long policy of sanctions and isolation against the island is lifted. Paradoxically, like Canada, the United States has been a constant factor with regard to Cuba, as it has never modified its embargo-based state policy towards this Caribbean country.

Even within that policy, the United States introduced an element of compromise in its relationship with Cuba when, in 2000, it lifted some restrictions on the export of food and medicines. The United States is thus Cuba’s first food supplier in spite of the embargo and the extraterritorial sanctions.

There is no doubt that the United States represents the key element in the engineering of relations with Cuba. In the event that the policy of sanctions was to be gradually abandoned in favour of one of engagement (“the end of the embargo by its bleeding to

⁴ Countries of Latin America and the Caribbean.

extinction”), the policies towards Cuba of the quintet formed by Latin America, Canada, the United States, Spain and the EU would coincide for the first time. A first indication of this was the recent approval – by the House of Representatives of the United States – of an initiative to lift travel restrictions to Cuba.

It was within this context that the recent inclusion of Cuba as a full member of the Group of Río was mentioned. Due to this inclusion, some Latin American countries, and especially Brazil, might soon initiate a debate on the integration of Cuba into the Inter-American system.

Finally, it was pointed out that, for the first time, the policies of the main stakeholders tend to coincide along the common denominator of “engagement”. Even if, within this basic consensus, each stakeholder and each country adopts its own policy towards the island (conditional or not), a change of policy in the United States would entail the disappearance – for the first time – of the main obstacle to a policy of openness: external pressure.

Cuba’s current situation and future perspectives

Albeit not an issue on the meeting’s agenda, Cuba’s political and economic situation provided the framework within which all debates were held. While some participants were of the opinion that succession from Fidel to Raúl Castro entailed full scale continuity, others considered that a new style of governing and prospects for change were in place, mainly in the fields of economy and state governance.

One of the speakers argued that the Cuban regime had moved from a charismatic authoritarianism ruled by an omnipresent Fidel Castro to a bureaucratic authoritarianism led by a “gerontocratic” leadership

based on two key institutions: the Revolutionary Armed Forces and the Communist Party of Cuba. The important restructuring of the government undertaken by Raúl Castro on 24 February 2009 may be read along these lines of greater institutionalisation and the end of “Fidelism”.

It was generally agreed that agency for change would not come from within the dissidents, but most likely from within (not from outside) the ranks of the present regime. Therefore, it is highly probable that any opening up will be a top-down process. An important space for debate and renewal is being created at the municipal level, and another built upon civil society organisations, culture and academia.

Without extrapolating models, many participants nonetheless mentioned the example of the “Spanish pre-transition”, which was initiated long before the actual process of a return to democracy, as a potential referent for Cuba’s current situation. In this particular stage, a new social fabric starts appearing beneath the government and a timid outwards opening begins in preparation for the conditions that could lead to future political change.

On the basis of the transitions to democracy made in various countries, one of the speakers dared to offer different potential political scenarios for Cuba, including the eventual long-term maintenance of the *status quo*. In this speaker’s view, Cuba, contrary to many other countries, is neither facing true external pressure (as the embargo has counterproductive effects for any opening) nor counting on incentives to modify its political system.

Several participants deemed continuity to be a very probable scenario, given the difficult – for some, unsustainable – economic situation, while others warned of the eventuality of political changes that might even take place abruptly rather than in a gradual fashion. Faced with this potential scenario, it was mentioned that neither Canada nor Spain are prepared to play a role and that it would be interesting to design strategic policies for scenarios beyond the present one.

At the end of the event, all participants agreed that there is considerable unexplored potential for cooperation and policy coordination between Canada and Spain that is not limited to Cuba. The initiatives put forward included fostering triangular cooperation with Haiti and continuing the exchange of experiences

in the field of cooperation and dialogue with Cuba. Likewise, the organisers insisted on the need for greater depth in the dialogue between Canada and Spain on Latin America and to consolidate cooperation by establishing joint ventures in the field of cooperation and diplomacy.

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