CHAPTER VI

ADJUSTMENTS IN EXTERNAL RELATIONS

The preceding Chapters described and analysed the processes of political and economic changes and adjustments that began in the mid-1980s in the wake of hard economic rigidities and harsh bureaucratic controls. The focus had been on domestic dynamics however, one really wonders whether Cuba would have weathered the crisis as successfully or unsuccessfully-as it did without adjusting its external relations especially in the areas of trade and investment.

Geo-politics gave way to geo-economics in the 1990s; the former had paid off in the era of Cold War, the latter was now the imperative as market elements had become part of domestic economic development process in the post-bipolar world of economic liberalisation and globalisation. The present Chapter details not just the changes and new orientations in foreign policy but the adjustments Cuba had to make in its dealings with the outside world to succeed with the domestic reform process.

The Chapter therefore examines the transition in external ties in the 1990s, and evaluates the trends in Cuba’s external relations that crystallised around 1997, i.e. the period of slow down or ‘reversal’ of reforms.

Cuba’s Relations with Latin America after Revolution

Cuba was subservient to US interests and goals ever since the Spanish-American war of the nineteenth century and the imposition of a protectorate status on the former. Even after the formal concession of independence by the US, the hard reality of Cuba as a dependency of the US had not changed. The successful consummation of revolution in 1959 brought US intransigence and interventionism, symbolised by the Bay of Pigs invasion in 1961 and the Missile Crisis of 1962. Cancellation of sugar quota earlier brought the curtain down on the pattern of development that the country had witnessed since almost the mid-nineteenth century.

With Fidel Castro’s successful attempt to overthrow the Batista regime in 1959, Cuba also saw rupture of relations with Latin American countries. In January
1962, under pressure from the US, the Organisation of American States (OAS) agreed to expel Cuba alleging that the latter's self-proclaimed socialism and military links with the Soviet Union were incompatible with the inter-American system. In July 1964, the OAS cut diplomatic, economic, and transportation links with Cuba. Only Mexico, Chile, and Uruguay had initially opposed the sanctions. Eventually only Mexico retained diplomatic relations with Castro’s Cuba.

Cuban revolution had transformed the geo-politics of the region. For one, there emerged a non-capitalist alternative model of development, much to the chagrin of the US which had all along prescribed free-market capitalist model for the entire region. Secondly, Cuban revolution had dramatically enhanced the revolutionary potential of Latin America, which sent a chill down the spine of conservative land-owning oligarchic and military elites. The Cuban pattern of guerrilla struggle with focus not on a large communist party but on the actions of a small guerrilla force beginning of revolution in rural areas and eventually spreading towards the cities, the idea of a multi-class revolution comprising the rural landless and small proprietors, urban youth and students, blue collar workers and petty government employees had enhanced the potential and prospects of revolution in other Latin American countries. This became evident in the form of the spread of guerrilla movements in many countries as well as of a strong anti-oligarchic and anti-US nationalism all over the region. In addition, in 1966-1967, Che Guevara, Regis Debray, and Fidel Castro proclaimed that the rural guerrilla foco a la Cuba was the only road for revolution in Latin America.

It was a complex situation. On the one hand, Cuba would invariably be accused of so-called ‘exporting’ revolution to other Latin American countries meaning thereby that OAS could take more punitive measures against Cuba. On the other hand, although state-to-state relations were broken and Cuba was under OAS sanctions, the popularity of the Cuban revolution and appeal of its charismatic leaders such as Che and Fidel remained high particularly among the younger population. Even mildly democratic and nationalist regimes, though part of the sanction regime, admired somewhat begrudgingly the ability of Cuba to stand up to ‘Uncle Sam’.
The death of Che in the highlands of Bolivia in 1968 brought an end to the revolutionary euphoria in the region. By late 1960s, Cuba was occupied with internal consolidation of the revolution including establishing the control of Fidel Castro and the Fidelistas over other tendencies and groups in the revolutionary movement. Besides attention had to be paid to revolutionary economic development, which meant economic diversification away from sugar including industrialisation of the country. The dependence on the Soviet Union was beginning to be felt. Given the context of the Cold War, Soviet advice to Cuba was to seek normalisation of relations with Latin American countries and abandonment of any overt support or sympathy with revolutionary movements in the region.

In mid-1969, Castro had set three preconditions for Latin American countries to restore relations with Cuba: (1) rejection of the OAS sanctions; (2) condemnation of the 'crimes' committed against Cuba by 'Yankee imperialism' and (3) acceptance of Cuban revolution. He then said that Cuba would never return to the OAS and would wait as long as necessary (ten, twenty, thirty years) until all Latin American countries would revolt and establish the Organisation of Revolutionary States of Latin America (Castro 1970: Granma 2-5). But, within one year, Castro replaced all these preconditions with a new one which stated that Latin America conduct itself independently of the US (Castro 1970: Granma 2-4).

Peru was the first country that offered Cuba an opportunity to practice the new realpolitik when, General Juan Velasco Alvarado in 1968 after overthrowing the democratic, but weak and inefficient government of Belaunde Terry, proclaimed a revolution, and nationalised the US oil industry. In 1969, Castro hailed the Peruvian leaders as a 'new phenomenon', a group of progressive military playing a revolutionary role. In the fall of 1971, Velasco invited a Cuban delegation to attend a meeting of the UNCTAD's Group of 77 held in Lima. In late 1971, Castro made a stopover at the Lima airport (en route from Chile to Cuba) and met Velasco. Early in 1972, Peru presented a motion at the OAS requesting that its members be free to individually re-establish relations with Cuba if they wanted. The motion was defeated but, in July, Peru re-established relations with Cuba.
For a brief period, under the rule of leftist general Torres in 1970-1971, there was a chance that Bolivia would repeat the Peruvian example, but the military coup of conservative general Hugo Banzer in late 1971 erased that possibility. Since 1971, Cuba had been courting Panama’s military regime led by general Omar Torrijos. He had challenged the US over the Panama Canal. In 1972, Panama had supported the Peruvian motion at the OAS and later in the year Torrijos followed the Cuban precedent at Guantanamo Base by refusing to collect the US annual rent for the Canal Zone. During council meetings of OAS held in March 1973 in Panama City, General Torrijos condemned the embargo of Cuba.

In 1969, the Chilean Christian Democratic government of Eduardo Frei initiated trade relations with Cuba. In November 1970, the Marxist candidate of the Popular Front (Unidad Popular), Salvador Allende, was elected president. Ten days after taking office, Allende re-established diplomatic relations with Cuba, and early in 1971, a new trade agreement (increasing the trade volume by US$ 6 million) was signed by both the countries (CORFO 1971). Castro and Allende exchanged their visits in 1971 and 1972. Nevertheless, relations between the two nations were broken in September 1973 by the Chilean military government immediately after a coup led by Augusto Pinochet.

In 1971, Castro supported Uruguay’s Popular Front (Frente Amplio) in the national elections. A surprising rapprochement took place in 1971-1972 between Cuba and the government of Ecuador led by President Velasco Ibarra. Unlike others, Ibarra’s was a conservative government. The warming relationship was interrupted in early 1972 by a military coup that overthrew Velasco Ibarra for the third time in his political tenure. The new military regime had been cautious in its statements and, although siding in 1972 with the Peruvians at the OAS meeting, did not follow them immediately in re-establishing relations with Cuba.

Mexico never accepted the OAS decision to isolate Cuba. Diplomatic relations and small trade continued uninterrupted though several conflicts created tension and coldness between the two countries after 1959. In early 1972, the situation apparently changed when, for the first time since Cuba’s revolutionary takeover, an exchange of foreign trade missions took place. Cuba at that time was interested in buying Mexican
lubricants, manufactured products, and medicines.¹ Mexico’s foreign trade bank offered to finance the operation and an agreement was signed in March 1973. Two months later, Mexico and Cuba signed an agreement on the treatment of hijackers.² Mexico’s relations with Cuba would often bring it in friction with the US. For instance in the wake of further tightening of US embargo under the Torricelli act and Helms-Burton law, Mexico also had to curb some of its Cuba ventures to facilitate its own bilateral dealings with the US. Nevertheless, Mexico has consistently resisted US pressure to isolate Cuba including the Helms-Burton law.³

While countries in the Caribbean were most aid-dependent on the US, their geographical proximity to Cuba also made them susceptible to revolutionary ideas and movements. Countries like Jamaica, Trinidad & Tobago and Guyana got their independence in the 1960s, and their anti-colonial struggles were only a step away from embracing socialism as had happened in many African countries where national liberation and socialism sequenced one another. Caribbean countries would go with the US in upholding OAS sanctions but realised at the same time that any idea of regional economic integration among the small states of the Caribbean would not fructify without Cuban participation. As a result, these countries would swing between the reality of an American sanction and desire to have normal relations with Cuba. Finally it was at the conference of Commonwealth Caribbean leaders held in Port-of-Spain in October 1972 that Jamaica and Trinidad & Tobago, as well as Barbados and Guyana, decided to establish diplomatic relations with Cuba. Castro paid short visits to Guyana and Trinidad & Tobago in September 1973 and thanked

¹ The latter suggested that the expected Soviet aid to develop a pharmaceutical industry in Cuba has not been materialised and receiving technical experience in the industrial processing of minerals and petroleum derivatives, in exchange for tobacco, rum, and minerals.
³ Another factor which facilitated relations between Cuba and Mexico immediately following the Cuban revolution was that Mexico, itself was a post-revolutionary country. Mexican officials and the general public tended to sympathise with Cuba’s position. Although this sympathy generally dried up after Castro confirmed his communist intentions for the island, the Mexican government continued to disagree with the use of force against Cuba, as well as the imposition of economic and political sanctions and diplomatic isolation promoted by the United States. While Mexico has not supported US policy towards Cuba, it has been careful to state that Mexico’s policy on Cuba is based more on principle than on actual support for the Castro regime.

The return of Juan Peron as the president of Argentina in 1972 enabled the reestablishment of diplomatic relations and Argentina granted Cuba a credit of US$ 1.2 billion to purchase agricultural, road-building, and railroad equipment. 4

In Central America, surprising changes began to take place. At the end of 1972, Cuba sent two ‘medical brigades’ to help the victims of the earthquake that destroyed Managua (Granma Weekly Review, 7 Jan. 1973). Cuba stated that this was an act of solidarity with the suffering people of Nicaragua and did not necessarily mean support of Nicaraguan dictator Anastasio Somoza. On the other hand, then Costa Rican President Jose Figueres (another former arch enemy of Castro), addressing a meeting of Cuban exiles in Puerto Rico in 1973, advised them to be realistic (in view of the US rapprochement with China) and to be open-minded of the possibility of rapprochement between Cuba and the United States. 5 In late 1973, Honduras renewed trade relations with Cuba signing a US$ 2.3 million agreement to buy sugar from the island (Latin America, 7 Sep. 1973).

The relations with Venezuela improved considerably after 1969 as a result of a change in attitude by the Christian Democrat government though in 1963 Venezuela had requested the OAS to impose sanctions on Cuba. The first step was taken by President Rafael Caldera’s ‘pacification programme’ which included legalisation of the Venezuelan communist party, amnesty to revolutionary activists who agreed to respect the democratic process and relaxation of tensions with Cuba. In 1972, cultural exchanges began between the two countries and Cuban press agency Prensa Latina was allowed to establish a branch in Caracas. The normalisation process between the two countries led to Venezuela’s endorsement of Cuba’s entrance into international agencies (e.g., the Group of 77). In an OAS meeting, Venezuela advocated the proposal of “ideological pluralism” in the inter-American system (Hobe 1973: 17).

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4 The Argentine Minister of Economy, Jose Gelbard, announced later that branches of US corporations in his country would have to cooperate in view of the new Argentine trade policies with Cuba.
5 Cuban exiles reacted negatively to figueres’ suggestions with a few remarkable exceptions, e.g., Castro’s former minister of finance, Rufo Lopez Fresquet.
In June 1973, an OAS commission approved a Venezuelan motion by which a majority of votes (and not two-thirds as before) was made enough to lift the sanctions against Cuba. Castro praised the Venezuelan action in the OAS 'as progressive' and said that Cuba would welcome a visit of President Caldera to Havana.

With the process of democratisation in Latin America in the 1980s, Cuba took into account the new political realities and shifted its approach towards building up bilateral ties. The election of democratic governments in Argentina, Brazil, Uruguay, Ecuador, and Peru since the late 1970s created opportunities on which Cuba gradually capitalised to reduce its political isolation. Parties of the left, including communist parties, advocated resumption of ties with Cuba and to varying degrees influenced the domestic debate in their respective countries. In 1986, the president of Argentina, Raul Alfonsin, visited Cuba and commercial relations between two expanded while relations with Uruguay re-established in October 1985; Cuba also restored diplomatic ties with a democratic Brazil (Granma Resumen Semanal, 28 Nov 1986).

In the past Cuba had vowed not to join the OAS but in the changed circumstances of the 1980s, it felt somewhat satisfied over the changes that had taken place in the OAS. In 1994, Cuban foreign minister stated: “It is true that the OAS of today is not the OAS of yesterday, but it is also very true that the OAS of today is not the one that the people of today need and want” (Ibid 1994). This positive approval that Cuba showed contributed further to the cementing of relations between Cuba and the rest of Latin America.

In the 1990s, Cuba also joined the newly floated Ibero-American summits, with the first meeting taking place in 1991. It was a strong and dynamic Latin America which included Cuba at these meetings. At the summits, the blockade against Cuba had been questioned by an overwhelming majority. The first Ibero-America summit stated: “We live in a new world in which we cannot isolate Cuba. According to the principle of self-determination, the largest island of the Antilles must decide its own future (Ibid: 13 Oct 1991).

In the second week of October 1991, the PCC met for the fourth congress. In his address at the congress Castro reaffirmed his bias towards Latin America and
elaborated further on the *modus operandi* of integrating Cuba with Latin America. He stated:

We are ready to go further and give a kind of preferential treatment of Latin American capital, the need for Latin American integration, which we have always sought, even when the CMEA still existed. He said further that it (CMEA) was transitory and that the natural arena for our economic integration had to be Latin America.... We are even ready to grant preferential treatment to foreign capital, which doesn’t clash at all with socialism, Marxism-Leninism or the Revolution much less is the exceptional conditions in which we are living (*Granma international*, 3 Nov 1991).

Fidel Castro’s reassuring statement at the fourth congress produced positive response from Latin American leaders. The meeting of Group-3 (G-3) consisting of Mexico, Venezuela and Colombia held in Mexico city in the fourth week of October 1991 welcomed Castro’s statement at the party congress and invited the Cuban leader to explain further the details related to the preferential treatment Castro had offered.⁶

Mexican President Salinas de Gortari said that Latin America has “come to know of economic modifications in Cuba such as the opening of important sectors to foreign investment and there is a will on the part of Cuba to promote Latin American investment to those sectors which have been opened”. He went further to assure Fidel Castro that “the solution to Cuba’s internal problems is an exclusive responsibility of the Cubans”. However, he added a word of caution stating that “what happens in Cuba is bound to have repercussions in the region” and it is for this reason that the “internal transformations being carried out by the will of the Cubans themselves are closely followed” by the Latin American countries (ibid).

All these developments clearly indicate two contrary trends in Cuba’s reintegration with Latin America; one suggests that Latin America would support Cuba irrespective of whatever political changes that might occur within the Island and; secondly, closer relations between the two will largely depend on the kind of

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⁶ *Press Report on G-3* (New Delhi: Embassy of Cuba, 1991), p. 3. Highlighting G-3’s keen interest in further strengthening Latin America’s relation with Cuba “will be definitively inserted in the life of the region within the fundamental concepts in which politics evolve in the Latin America of today”.
economic restructuring that will evolve in Cuba. With the opening up of the economy to foreign investment, Cuba’s integration with Latin America is likely to only deepen over time.\(^7\)

The electoral victory of ‘leftist’ presidents, beginning with the victory of Hugo Chavez of Venezuela in 1998, seems to have accelerated the process of Cuba’s integration with Latin America. Even more, with ‘leftists’ on the helms of affairs, Cuban successes in the areas of social security and inclusive growth have become examples and models to be replicated and learn from in many countries of South America. Even more, Fidel emerged as a mentor and philosopher-guide to many of the ‘twenty-first century socialists’ in Latin America. Relations became especially very close with Venezuela under Hugo Chavez. Both the governments have come to hold almost same political vision, commitment to social welfare without any discrimination, anti-globalisation, and a multipolar world order. Castro has endorsed Hugo Chavez’s ‘Bolivarian alternative’ for Latin America.

Apart from Ibero-America summit, another multilateral mechanism of strategic interest has been the launch of Association of Caribbean States (ACS). ACS, for its part, is the most important regional organisation which the Island participates in. To defend the region’s interests, CARICOM had created the ACS in 1994, as a cooperation mechanism designed to strengthen the negotiating capacity of the region. To forge strong relations with Latin America and the Caribbean, and to join the non-proliferation club, Cuba announced its decision in August 1994 to sign the Tlatelolco Treaty against the proliferation of nuclear weapons in Latin America. The Cuban government stated that the great significance of this step for the country, in view of its vocation for peace in the region, is its efforts to achieve advances that will facilitate an approximation of Latin American people and advance the objective of the region’s integration. Castro said that it’s “signing of the treaty demonstrates once more its

\(^7\) Although Castro’s ability to articulate Third World anxieties does not guarantee him with some tangible economic resources, it does offer some diplomatic protection. Castro’s aim is to ensure that US will pay a significant diplomatic price if it moves against Cuba. It was proved, when US efforts to charge Cuba of violation of human rights in the United Nations failed. Also, since last many years, Cuba has been overwhelmingly supported at the United Nations against the blockade imposed by the United States.
willingness to be integrated into the Latin American Community, even at the cost of great sacrifices” (Granma International, 7 Sep 1995).

Restructuring Economic and Trade Relation with Latin America and Caribbean

(i) Cuba-Mexico Relations: In the early 1990s, Mexico had become one of the main investors in Cuba; however its investments had declined by the late 1990s. By 1998, it was reported that France, Spain, UK and Italy made up to 50 per cent of investment in Cuba; Canada 20 per cent; and Mexico, Venezuela, Argentina and Chile 18 per cent. The growth of Mexican foreign investment in Cuba was facilitated by a 1991 agreement between Bancomext (Mexican Bank for Foreign Trade) and the government of Cuba which allowed for non-traditional restructuring of Cuba’s debt. This agreement paved the way for Mexico-Cuba debt for equity swaps which financed several Mexican investments on the island. In these swaps, Bancomext gave credits to Mexican companies to invest in or trade with Cuba as a form of repaying Cuba’s debt to Mexico (CEPAL 1995).

One of the first Cuba-Mexico joint venture initiatives joined Cubanacan (Cuban state tourism unit) and Mexican company DSC (Desarrollo de Servicios Constructivos) to build a four-star hotel in Varadero, Cuba. The project was completed in 1991 under a financial scheme involving debt for equity swap. In 1993, Grupo Danta of Monterrey formed a joint venture with Union Textil of Cuba. The two entered a twenty year contract and became partners in a new company, the International Textile Corporation. In this deal, Danta contributed capital for buying the raw materials and repairs while Union Textil contributed the industrial capacity and qualified labour force. Union Textil had the use of thirty three plants valued at US$ 2.5 billion and 37,000 workers. In another debt-equity swap, Cemex of Monterrey, the world’s third largest cement producer, joined with Union de Empresas de Cemento to create Empresa Mixta Cementos Curazao NV (EMCC). The project was a 50-50 joint venture which allowed for the sale of the Mariel cement plant in

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8 Quoted in Economic Eye on Cuba, 15-21 June 1998.
9 Ibid.
Cuba to EMCC. Cemex was able to export cement from the Mariel plant and from Cuba’s other five plants.10

One of the most well-known (and largest) joint ventures between a Mexican company and Cuba began in 1994. Grupo Domos entered into a joint venture with EntelCuba, Cuba’s state operator, through a 55 year contract. For US$ 750 million Domos bought a 49 per cent stake in the newly formed company, ETECSA. Domos did not have substantial assets going into the deal but secured the deal with help from Bancomext in the form of an equity swap of US$ 300 million of Cuban debt.11 ETECSA planned to spend about US$ 1.4 billion to modernise Cuba’s telecommunications infrastructure with both partners contributing half the expenses.12 ETECSA’s goal was to expand Cuba’s communications system from 2.5 lines/100 inhabitants to 20/100 by the year 2000.

In the mid-1990s, the planned joint ventures faced many challenges, especially in strategic areas such as oil and gas. Many joint ventures faced pressure from the US government to some extent. As mentioned before, in 1992 new pressures were brought for the Salinas government from the US Senate and the Cuban exile community, both

10 Teo A. Jr.Babun, “Cuba’s Cement Industry”, Cuba in Transition, Vol.7, pp.374-381. A victim of Helms-Burton legislation, Cemex decided to sacrifice its operations in Cuba to protect larger interests (including several plants) in the US. In May 1996, Cemex notified the US government that it had withdrawn from its operations in Cuba. The notice was given just before Cemex’s top executive was to receive a warning, from the US government, that he might be violating Helms-Burton. The Helms-Burton claim against Cemex was based, in part, on the fact that one of the plants Cemex was using in Cuba was believed to have been confiscated by the Cuban government from Lone Star Industries of Stamford, Connecticut.
11 However, after the Peso Crisis in December 1994, Domos began having problems contributing to its share of the investment. In 1995, Domos was forced to divest 25 per cent of its stock in ETECSA at lower than market value. The stock was sold to STET of Italy for US$ 291 million. Domos contributed US$ 320 million of the planned investment and was left with 37 per cent of ETECSA. By the end of 1996, ETECSA had installed 37,000 digital lines and 900 international output circuits. International calls skyrocketed from 400 a day to 60,000.
12 In August of 1996, Domos received a letter from the US State Department giving it 45 days to end operations in Cuba. The President of Domos, Javier Garza Calderon, and several top executives were told to resign or break off ties with Cuba or they and their families would not be allowed to enter the US. Although Domos did not leave the island in response to Helms-Burton, the law did make it difficult for the company, which was already having financial problems, to acquire the financing it required to continue its Cuban operations. Late in 1996, Domos was forced to leave Cuba after it was unable to secure continued financing for the project. Interestingly, Domos was singled out by Helms-Burton legislation, even though ITT, which ran the phone system before repatriation had never given any indication that it ever planned to sue Domos. In 1997, within the provisions of Helms-Burton, STET finalised an agreement with Domos to use its properties in Cuba for 10 years. The agreement released Domos from Helms-Burton sanctions.
of which were strongly against foreign investment in Cuba with the help of Torricelli act.

Mexico’s initiatives in Cuba involving mostly joint ventures suffered in the wake of the Peso crisis of 1994 and even more in the wake of the American tightening of embargo which Mexico, being a free trade partner of US, could not resist. The Mexican investments in Cuba were good enough in the early 1990s, supported by debt-equity swaps from Bancomext. Since 1995, Mexican investment has dropped noticeably, while Mexican companies made up, arguably, the largest share of investments (dollar-wise) in Cuba. A few Mexican companies are still involved in joint ventures on the island. For instance, Telecommunications Internacionales de Mexico (TIMSA) is a partner along with Cuban government operated UTISA and Sherritt International Communications in Cubacel which provides analogue and digital cellular service on the island. TIMSA originally held 50 per cent of Cubacel but in 1998 it sold 75 per cent of its shares to Sherritt. In addition, Mexico’s Banamex is involved in a project to process receivables and issue consumer credit and charge cards within Cuba.

Although, much attention has been given to foreign investment in Cuba, the country has also been exporting its knowledge in the areas of agriculture, medicine and biotechnology through joint ventures in Latin America, Africa, Asia and Europe. For example, several Latin American countries, including Mexico, have taken advantage of Cuban joint ventures in health services. Cuban-owned Inservinacan has been involved in health clinic joint ventures which incorporate Cuban medical expertise and medical products in Mexico, as well as in Brazil, Argentina and Colombia. Other Cuban-Mexican joint ventures in Mexico have included Agroingeniería S.A. de CV, which produces agricultural equipment, and BIOTER, which produces soya food products.

In 2000, after the change of government in Mexico, President Vicente Fox administration raised the issue of human rights in Cuba. This adversely affected economic and trade relations between the two countries. Relations deteriorated during the six year presidency of Fox with the Mexican Foreign Minister Jorge Castaneda even exchanging harsh words with his Cuban counterpart. Apparently Mexico was
keen to align its foreign policy with that of the US and at the same time sought to play the role of a regional leader in democracy promotion and human rights. The two nations temporarily withdrew their ambassadors in May 2004. In 2002, President Fox visited Cuba, met with a group of Cuban dissidents, which was very displeasing to the government in Havana. Immediately afterward, on the occasion of the Monterrey Summit of the Americas, in which Mexico manoeuvred to shorten Castro’s visit as much as possible as a courtesy to the U.S. President who did not want to be under the same roof as Castro. Mexico joined the U.S. position at the Commission on Human Rights at the United Nations, and condemned Cuba for systematic violations of human rights. From then on, the relationship deteriorated only to recover with the change of regime under President Felipe Calderon. (http://havanajournal.com/politics/entry/history_and_future_of_mexico_cuba_relations_commentary/)

Calderon administration took initiative to normalise the relations as Mexico seeks its own reintegration with Latin America after six years of unpleasant honeymoon with the US. With the affirmative initiatives, several top foreign dignitaries have visited Cuba since Raul Castro assumed the presidency. In 2008, Cuba and Mexico declared that their good relations are restored. Cuban Foreign Minster Perez Roque after meeting with his Mexican counterpart, Patricia Espinosa declared “Relations between Mexico and Cuba are fully normalised”. Cuba’s foreign minister said he will soon deliver a formal invitation for Mexico’s president to visit the island. (http://www.chinapost.com.tw/internationaVamericas/2008/03/15/147221/Cuba%3A_relations.htm)

(ii) The Relationship with Brazil: Diplomatic relations between Brazil and Cuba suspended in 1964, were re-established in 1986. Since then, bilateral relations have been characterised by strengthening of many activities. The Brazilian government advocates the lifting of the US embargo against Cuba because it believes that the unilateral application of economic and commercial sanctions for political purposes violates the principles of international law. Furthermore, Brazil maintains a traditional
stand of principle against the extra-territorial enforcement of national legal rules, having proposed the text of the declaration issued by the Rio Group in March 1996, in reply to the approval, by the American Congress of the Helms-Burton Law. The said declaration condemns the extra-territorial character of the aforesaid legal instrument. The Brazilian position was also reflected in support of the approved resolution that repudiated the Helms-Burton Law during the General OAS Assembly held in Panama, in June 1996. Within the scope of the UN General Assembly, Brazil has voted for those resolutions that exhort the United States to lift the embargo.

To alleviate the effects of the embargo on Cuban society, President Fernando Henrique Cardoso sanctioned a law in 1996 on food assistance to Cuba, which provided the donation of public food stocks up to 20,000 tonnes. In addition, during the visit of the Brazilian Minister of External Relations to Cuba, on 27 May 1998, the two countries signed a Memorandum of Understanding for a US$ 15 million financing for the export of Brazilian food to Cuba. In October 2001, the Brazilian government granted Cuba the renewal of a credit line for the purchase of Brazilian foodstuff.

The relations between Cuba and Brazil are currently guided by the search for an increased mutual cooperation and strengthening of trade and investment bonds. The bilateral commercial contact is important within the context of the relations between the two countries. In 2000, Cuba purchased 480 buses from Brazil for collective transportation in Havana and between provinces. The establishment by a Brazilian company of an assembly line in the Island is foreseen as a joint venture scheme. Another important joint venture is between a Brazilian company and a Cuban state-owned company for the manufacturing of cigarettes. Brazil participated in the nineteenth edition of the International Havana Exhibition, held in October 2001, with a stand organised by the Cuba-Brazil Chamber of Commerce and Industry, in which several Brazilian companies/ institutions showed their products; new and promising business opportunities were created (www.cubagob.cu). In the investment area, the National Bank for Economic and Social Development (BNDES) participated in the funding of an important project aimed at the modernisation of the Cuban sugar industry. Since then, the expansion of preferential tariffs between the two countries is
to be negotiated on a “4+1” basis, through the consolidation of existing bilateral agreements between MERCOSUR partners and Cuba.\footnote{As a regional economic grouping, the Mercosur (Mercado Comun del Cono Sur) was created by Brazil, Argentina, Paraguay and Uruguay in March 1991 with the signing of the Treaty of Asuncion. It originally was set up with the goal of creating a common market among the participating countries on the basis of various forms of economic cooperation arrangements that had been taking place between Brazil and Argentina since 1988.}

Both countries have sought to intensify contacts in all possible fields, such as science and technology, culture, health, and technical co-operation. For the training of diplomats, Cuba is one of the countries that benefits from the Rio Branco Institute Scholarship Programme; at first Cuban diplomats attended the school for the first time in 2000. With regard to technical cooperation, one of the most successful bilateral initiatives is a project entitled “Strengthening of the National STD/AIDS Cuban Programme”, which includes the exchange of experiences and technologies in several fields. Brazil also participated in a cooperation project that foresaw the transfer of knowhow from Brazilian institutions – such as the Institute for Applied Economic Research (IPEA), the Internal Revenue Service, the Treasury Secretariat, and the Central Bank – to their Cuban counterparts in the fields of public finance, welfare, and planning.

In 2001, a bilateral agreement to combat illicit drug trafficking was concluded. In May 1998, the creation of the “Permanent Mechanism of Information and Political Consultations” has served as an institutional framework for bilateral relations in various fields. In this regard, three consultation meetings on human rights were held in June 1999, March 2000, and March 2001.

In May 1998, high-level contacts started with the visit by Brazil’s Minister of External Relations, Luis Felipe Lampara, to Havana. In September 1998, President Fidel Castro met the Brazilian president in Brasilia. In November 1999, on the eve of the IX Iberian-American Summit held in Havana, the Brazilian President Fernando Henrique Cardoso’s historic visit was a remarkable step towards strengthening bilateral relations. During his official visit to Brazil in December 2000, Cuban counterpart Felipe Perez Roque described relations between the two countries as a
"strategic partnership". Recently, Cuba’s Corporacion CIMEX S.A. and Brazil officially set up a joint venture to boost business and trade relations between the two countries. The company will operate under the name BraCimex and respond to the strengthening of bilateral business ties. According to its executives, the new company is expected to explore, prepare and propose import and export business in both directions. As part of the first action of the new joint venture, an important commercial delegation from Brazil, consisting of people from the textile, shoe, furniture, paint, aluminium and meat industries visited the Island. The visitors were briefed on the potentialities of CIMEX S.A., which owns 12 companies and over 1,000 facilities throughout the country (http://cubabiz.com).

With the electoral win of President Luiz Inácio Lula da Silva in 2002, ties between Cuba and Brazil have steadily warmed. Brazil continues to play its part in trying to revive and upgrade the offshore oil and gas infrastructure of Cuba. In addition, talks led by Brazil are underway seeking to develop a framework for Cuba to become a normalised affiliate member of the Mercosur bloc of countries (BBC News, 13 November, 2003).

(iii) Relations with Venezuela: Venezuelan president Hugo Chávez is a close ally of Fidel Castro, and has described the Fidel Castro–Hugo Chávez–Evo Morales relationship as an “Axis of good”. The Bolivarian Republic of Venezuela has agreed to barter oil in exchange for Cuban medical assistance. On 15 December 2004, an agreement called the ALBA (Bolivarian Alternative for the Americas) was signed to eliminate tariffs and import duties and promote investment as well as technical and educational cooperation between the two countries. Venezuela and Cuba have been close trading partners since a cooperative agreement was signed between them on 30 October 2000. The new agreement meant that Cuban goods and services were to be paid for with Venezuelan products and currency. Venezuela agreed to transfer technology, finance development projects in the agriculture, service, energy and infrastructures sectors. Cuba, in addition to providing over 15,000 medical

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14 See the Table for major agreements and important dates in the process of development of mutual understanding and strengthening of political and economic relations.
professionals who participate in "Barrio Adentro" a social programme which provides Cuban healthcare treatment to Venezuelans and trains doctors and specialists will grant 2,000 annual scholarships to Venezuelan students. Also, the agreement commits the two countries to work together with other Latin American countries to fight illiteracy (Sarah 2004). In 2005, the two countries also signed cooperation agreements in the area of energy and electricity, an accord between Venezuela's oil company PDVSA and its Cuban counterpart CUPET to buy and sell crude oil and a crude oil storage agreement between the two companies. (http://www.bilaterals.org/article.php3?id_article=1835, 28 April 2005, "Cuba and Venezuela sign millionaire bilateral trade agreement")

Hugo Chávez, who says he is one of the few people in the world who knew of Castro's illness since 31 July 2006, has helped Cuba undermine a strict U.S. embargo by sending cheap oil and boosting commercial relations. Agreements between Cuba and Venezuela, the world's fifth largest oil exporter, have brought more than 20,000 Cuban doctors to Venezuela to provide medical services for the poor. The programme, one of numerous oil-funded social projects, has helped Chávez build a strong political support base for his Bolivarian Revolution among Venezuelan people (Reuters, 9 Sep 2006).

With President Hugo Chávez' favourable disposition toward Cuba, the country has truly enjoyed considerable favour due to the highly beneficial five-year trade agreement signed in October 2000 (renewable for other five years) with Venezuela's state oil corporation PDVSA to deliver to the island 53,000 barrels of oil daily, equivalent to 2.7 million tons of oil per annum, supplying about 30 per cent of domestic needs, under the following terms: 80 per cent of imports are payable in 90 days at prevailing world market prices, while the remaining 20 per cent are payable in 5 to 20 years at the average annual oil price, but up to one-fifth of the 20 per cent can be paid through medical, educational, and sports services. This agreement has partially protected Cuba from record world market petroleum prices. It was estimated that over the five years of the agreement, Cuba would receive about $2.6 billion in oil and in proceeds from reselling some of the oil. The arrangement allows Cuba to resell in
cooperation with PDVSA a portion of the Venezuelan oil at market prices, earning a considerable profit for Cuba (Mesa-Lago, and Pérez-López 2005).

In 2004, PDVSA reportedly increased deliveries to Cuba from 53,000 to 78,000 barrels per day (from 2.7 million tons to 4 million tons per annum). Cuba’s cumulative oil debt to Venezuela projected for 2004 was $992 million. The Venezuelan government claimed that Cuba had honoured the terms of the agreement, and Cuba’s Ministry of Foreign Trade ratified this statement, adding that Cuba was not in arrears. Cuba’s output of crude oil decreased in 2004, aggravating the need for imports (Mesa-Lago and Pérez-López 2005 and Rodríguez 2004).

A second bonanza, greater than the first, occurred on 14 December 2004, when Cuba and Venezuela signed new, wider economic and trade agreements with the following terms: (1) economic integration of both countries, including the opening of banks in each and reciprocal banking credit contracts to facilitate payments in financial and commercial transactions; (2)-(a) in both countries elimination of trade tariffs, (b) exemption of tax on profits from investment in state and mixed enterprises (also private enterprises in Venezuela) during the period of investment recovery, with air and shipping lines receiving the same treatment (Venezuela provides Cuba with infrastructure and equipment related to air and maritime transportation), and (c) Venezuela may have 100 per cent ownership of its investments in Cuba (an exceptional concession, as Cuba usually keeps 51 per cent of ownership in all foreign investment); (3) the price of oil will continue as in the first agreement, but Cuba guarantees to pay a minimum of US$ 27 per barrel (about one-half the current world

15 The brief overthrow of Chávez resulted in irregular deliveries, but normal shipments were resumed in September 2002, after Cuba agreed to restructure its oil debt, which by then had grown to $142 million. The general strike in Venezuela from December 2002 to January 2003 led to new delivery interruptions and widespread blackouts in Havana. In March 2003, the general auditor of Venezuela estimated the Cuban oil debt at $266 million; later another estimate set such debt for 2001–2003 at $752 million, tantamount to 80 percent of the total debt owed PDVSA by its foreign clients. In February 2004, it was confirmed that Venezuela was supplying Cuba with 78,000 barrels of crude oil of top quality and oil derivatives daily (rather than the 53,000 of the first agreement), with an average value of $1 billion annually. Only part of that oil was actually delivered to the island; most of it was negotiated by PDVSA and Cuban brokers and sold to El Salvador, Guatemala, Honduras, Nicaragua, and Panama, with dollar earnings transferred to Cuba. It was also estimated that Cuba’s oil debt with Venezuela had reached $2.5 billion before the end of the five year agreement in October 2005 (Ocando 2005).
price), and Venezuela will increase oil supplies in 2005 to meet all Cuba’s needs in excess of domestic production; (4) the tens of thousands of Cuban physicians, nurses, teachers, and sport trainers working in Venezuela will train people there, and their salaries will now be paid by Venezuela (before this agreement such salaries were paid by Cuba as a way to reimburse Venezuela for part of the oil received); (5) Cuba will provide 2,000 annual higher education fellowships to Venezuelans, while Venezuela will transfer technology on energy and award Cubans all the needed fellowships in this field; (6) Venezuela will finance Cuban projects in agriculture and industry, infrastructure, energy, paving of streets, construction of aqueducts and sewage treatment facilities; and (7) negotiations are on the way for additional agreements on the following: Venezuela would supply 590,000 tons of coal annually for the ferronickel plant with China; a joint enterprise to produce stainless steel would be established by Cuba, China, and Venezuela; Canada’s Sherritt International Co. and Venezuela would built a coal thermoelectric plant in Mariel; and PDVSA would buy part of the oil refinery in Cienfuegos unfinished by the Soviet Union (Granma, 16 and 25 Dec 2004).

Venezuela is rapidly approaching the amount of virtually free aid that the Soviet Union provided Cuba in the 1980s, before the downfall of socialism: (1) at 78,000 daily barrels delivered to Cuba in 2005 (4 million tons), Venezuela is supplying at least 44 per cent of Cuba’s oil needs; (2) as of the end of 2004, Cuba is expected to pay US$ 27 per oil barrel, less than half the current world market price, which resulted in a subsidy of approximately US$ 800 million in 2005, similar to that granted by the USSR at the peak of the oil price subsidies from 1975 to 1982; (3) but Cuba is not actually paying for all oil deliveries, as the unpaid debt averaged US$ 600 million annually from 2000 through 2004, a sum that surpassed US$ 2.5 billion in 2005; (4) like the USSR in previous years, Venezuela transferred millions of dollars to Cuba for the value of undelivered oil that is sold to third countries; (5) Venezuela paid the salaries of tens of thousands of Cuban personnel working there, even though Cuba was expected to pay such salaries according to the oil agreement of 2000; (6) the 2004 agreement commits Venezuela to provide millions of dollars to finance Cuban projects in agriculture, industry, energy, paving of streets, water and sewage infrastructure.
(badly in disrepair in Cuba), without published specifications on amounts, interest, and repayment of principal; and (7) if current negotiations between the two countries are successful, Venezuela will invest hundreds of millions of dollars more to supply coal for the Chinese nickel plant (hence compensating Cuba and China for the high cost of nickel extraction), stainless steel production, and an oil refinery (Mesa-Lago 2000 and 2005).

(iv) Cuba and its Caribbean Identity:

Following a decade of political independence throughout the Caribbean, the early 1970s saw significant developments in relations between Cuba and Caribbean governments. In 1972, Jamaica, Guyana, Trinidad and Tobago and Barbados, the largest English-speaking countries in the Caribbean, decided to break away from a policy of isolating Cuba, and jointly established diplomatic relations with Havana. Motivated by the common interest of regional integration, the move was a landmark in hemispheric affairs.16

The rekindling of Cuban-Caribbean relations since the 1990s is the outcome of political will on both sides to establish mutually beneficial ties and new avenues for integration within the Caribbean community in order to confront a host of key challenges posed by globalisation. The nature and potential of such links, as well as the reasons behind them, must be understood within the dynamics of the interaction between the US, Cuba and the rest of the Caribbean community.

Cuban-Caribbean relations have yielded some promising results. Since 1990, two-way trade between Cuba and the Caribbean has grown consistently from roughly US$ 8.6 million in 1990 to close to US$ 200 million in 1999 (Granma, 29 June 2000). During this period Cuba joined the ACS and the Caribbean Forum of African, Caribbean and Pacific (ACP) States (CARIFORUM), and signed a number of co-operation agreements with CARICOM.17 In the tourism sector, Cuba has negotiated

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16 Driven largely by its security interests, in these years Cuba developed wide-ranging ties and contracts with the majority of the Carribean countries, resulting in greater economic, scientific and technical cooperation and increased trade. In addition to the re-establishment of full diplomatic relations with a number of Caribbean nations, Cuba joined a number of regional inter-governmental organisations such as the Latin American Economic System (SELA) and the Caribbean Multinational Shipping Corporation (NAMUCAR).
17 CARICOM’s and the ACS’ position on the US-Cuba dispute does not imply support of Cuba’s domestic policies. The regional position towards Cuba transcends the specific context of the Cuban
joint ventures and multi-destination arrangements with governmental and private sector participation with the Dominican Republic, Jamaica and the Bahamas. In addition, Cuba has provided medical assistance to Belize, Guyana and Haiti, as well as scholarships to students from several Caribbean states. Changes brought about by the globalisation process, particularly the creation of large economic blocs, have caused much concern in the region. The North American Free Trade Agreement (NAFTA) and the latest developments aimed at consolidating the European Union are perceived as threats to the region’s economic future, since current preferential arrangements in terms of trade and financial aid are eroding and face the risk of being entirely lost.

The Cuban foreign policy towards the Caribbean has been primarily focused on protecting its national security and the survival of the revolution. It is assumed that increasing influence in the region would create a favourable consensus that would deter potential US attempts to isolate or take any interventionist action against the island. Similarly, Cuba has felt that its international activism on behalf of the Third World and the Non-Aligned Movement has had a resonance in the Caribbean nations given their shared concerns related to issues such as the US dominance and the changes in the international economic order.

Cuba’s outreach to the Caribbean since the 1990s is based on the need to build new security goals. Also Cuba has started to see the Caribbean as both a commercial partner and a potential political ally in its confrontation with the US. With the formation of ACS, Cuba is developing a Caribbean identity for itself away from a purely revolutionary identity.

**Cuba-Canada Cooperation**

Cuba-Canada relations can be traced back to the eighteenth century, when vessels from the Atlantic provinces of Canada traded codfish, beer, rum and sugar. Cuba was the first country in the Caribbean selected by Canada for a diplomatic mission. Canada has maintained uninterrupted diplomatic relations with Cuba since 1945. Prime ministers Pierre Trudeau and Jean Chretien paid official visits to Cuba in issue in order to defend broader Caribbean interests. They oppose the exertion of pressure against a Caribbean nation because such pressure is seen as a threat to regional security and to be inconsistent with the universally recognised principles that should govern international relations.
1976 and 1998 respectively. President Fidel Castro visited Canada in 1959 and 2000, on the latter occasion to attend the funeral of former Prime Minister Trudeau. Cuba and Canada have a long history of contact and cooperation in a broad range of activities including culture, education, sport, trade, development and tourism. A diverse and frank dialogue based on mutual respect is a distinguishing feature of the relationship. While there are, and will remain, important differences between the two countries Cubans and Canadians share many common values and interests, including a commitment to human welfare through support for universal health care and education.

In the 1970s, Cuba developed its own long-range fishing fleet; it sought access to new overseas fisheries. Following the visit of Prime Minister Trudeau in 1976, the two countries negotiated an agreement permitting Cuban vessels to fish underused species in the rich fishing grounds off Canada's North Atlantic coast. The drastic decline of the Canadian cod fishery in the early 1990s forced Canada to suspend Cuba's fishing quotas within Canadian territorial waters, but the two countries continue to co-operate closely in the North-west Atlantic Fisheries Organisation.

In 1990s, Cuba acquired a new importance for Canadian investors and exporters, encouraged by the approval of Cuba's new foreign investment law. Canadian firms became the second largest source of foreign investment in Cuba, led by Sherritt International, a Toronto based metals and mining company. A unique joint venture agreement was negotiated between Sherritt International and Cuba's Ministry of Basic Industries to create a vertically integrated nickel/ cobalt metals business, with mining and associated processing facilities, Moa in eastern Cuba and refining facilities in Fort Saskatchewan Alberta. In the decade of 1990s, 80 per cent of Cuba's export to Canada consisted of nickel and cobalt for refining at the Fort Saskatchewan Plant. Sherritt International went on to play a key role with the Ministry of Basic industries in developing Cuba's unexploited oil and gas reserves along the north coast of Havana and Matanzas provinces (Axworthy 1998). As a result, Cuba became self-sufficient in the production of electricity.

At the same time, tourism has been the big single source of financial flows between Cuba and Canada. In 2001, a new hotel joint enterprise was launched in Cayo
Coco between the Cuban state company *Cubanacan* and a consortium of Quebec-based investors, led by Thibault, Messier, Savard and Associates of Montreal. In 2003, more than 400,000 Canadians were expected to visit the island — making Canada the most important country of origin for tourists to Cuba. This huge flow of tourists also attracted a wide range of Canadian businesses interested in selling their products to Cuban buyers. Canadian firms in many sectors annually visit Havana to make their products better known by participating in sectoral trade shows and the Havana International Trade Fair (FIHAV). In 2002, the Canadian pavement at FIHAV represented more than 90 firms, which was inaugurated by Cuban Minister of External Commerce, Raul de la Nuez, and Denis Paradis, Canada’s secretary of state for Latin America, Africa and Francophonie. Few areas of co-operation between Cuba and Canadians are:

(i) **Tourism:**

Cuba is the fifth most popular overseas destination for Canadians (after the US, Mexico, UK and France). In 2003, approximately 4,94,000 Canadian tourists visited Cuba. There were approximately 125 flights from Canada to Cuba per week during the peak of season.

(ii) **Human Rights:**

Canada has consistently recognised Cuba’s strong commitment to economic and social rights, with its particularly important achievements in the areas of education and health. At the same time, Canada has urged Cuban authorities to achieve similar progress with respect to basic civil and political rights, such as freedom of speech, association and the press. In May 2003, Canada, Uruguay and Chile jointly presented a statement on Cuba’s human rights situation to the Permanent Council of the Organisation of American States (OAS). The statement was supported by seventeen of thirty-four permanent members of the OAS. Canada co-sponsored a resolution on Cuba’s human rights

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18 Canada’s Foreign Minister Graham has expressed deep concern and has strongly protested to Cuban authorities the incarceration and harsh sentencing of 75 Cuban dissidents, which took place in March and April 2003. Senior government officials have directly raised concerns about the health and prison conditions of the “75” at bilateral meetings with senior Cuban officials. Given the peaceful nature of the dissidents’ activities, Canada’s position is that the severe restrictions on freedom of expression cannot be justified on the grounds of national security. The Canadian government has therefore requested the release of the imprisoned dissidents, with immediate consideration for those in poor health.
situation for the thirteenth consecutive year at the Office of the UN High Commissioner for Human Rights in April 2004.

(iii) Public Affairs in Cuba:

In the 1990s, Canada emerged as a new partner of Cuba in the Western hemisphere. Canadian aid and assistance have been pivotal in the political and economic reform processes of Cuba. One of the most successful Canadian-inspired events in Cuba has been an annual run in honour of Terry Fox, a national hero who ran across Canada for cancer research. The seventh Annual Terry Fox Run attracted over one million participants across the island in February 2004, making it the largest in the world outside Canada. The knowledge of Canadian culture and history is also promoted through Canadian Studies programmes at four Cuban Universities. Canada hosts a "Speakers Programme", bringing Canadian academics to Cuba to discuss topics including multi-culturalism and the Canadian economy.

Consequently, evolution of constructive engagement emerged between Cuba and Canada. In June 1994, the liberal government of Prime Minister Jean Chretien announced a number of adjustments in its policy toward Cuba. These included increased senior-level contacts; reinstatement of Cuba’s eligibility for official development assistance through the Canadian non-governmental sector; increased humanitarian aid; expansion of promotional and financial support to Canadian companies pursuing opportunities in Cuba; and repeated calls for Cuba’s readmission into the OAS and participation in the Summit of the America’s process of development. Human rights concerns were expressed through support for United Nations resolutions on critical conditions in Cuba, as well as through regular contacts with human right activists and the religious community by officials of the Canadian Embassy in Havana (FOCAL 1995).

In January 1996, the profile of Cuba-Canada relations increased significantly when Lloyd Axworthy became foreign minister. In January 1997, the relations expanded considerably following the signing of the Joint Declaration of the ministers of foreign affairs of Canada and Cuba (also known as “the 14 points”), during Axworthy’s high publicised first visit to Cuba. This wide-ranging accord became the framework for the bilateral relationship, with the two countries agreeing to work
together without any formal conditionality, opting instead for regular progress, reviews and dialogue. In addition to expanding activities already underway, the Canadian government began to provide technical assistance aimed at reforming Cuban institutions. In the area of economic reform, the Canadian government began to work with the main economic ministries of the Cuban government. Activities related to human rights and governance included the provision of Canadian expertise to the justice and legal systems, the sharing of Canadian experience to strengthen Cuba’s machinery to receive citizen’s complaints, the encouragement of parliamentary exchanges, and a structured high-level dialogue on human rights. These years saw highly publicised visits to Cuba by foreign minister Axworthy in January 1997 and January 1999 and by Prime Minister Chretien in April 1998, in addition to regular contacts between senior government officials of both countries (FOCAL 1999).

The bilateral programme has remained at modest level since 1996. The trade reached up to Canadian $3 million and 5 million annually. With the shipments of medicines, food aid and paper or the provision of emergency assistance resulted in higher cash disbursements in some years. The trade relations between the two have been discussed in details in the previous chapter under the title Foreign Direct Investment in Cuba. Bilateral merchandise trade between the two countries increased to US$ 1.66 billion in 2008, an increase of 2.6 per cent from 2007. In 2008, Canadian merchandise exports to Cuba rose 36.3 per cent to US$ 768.1 million which included

19 A bilateral contribution to Oxfam Canada’s and Alternatives’ programs in Cuba supports local initiatives in popular participation and food security. Along with other NGO initiatives funded under the Canada Fund for Local Initiatives and the Partnership programme, this helps to build local capacity in Cuba’s nascent civil society and supports local participation and good governance. OXFAM – This second phase of the Cuba’s NGO Strengthening Programme (Canadian $990K from 2000-2003; first funded through CPB from 1996-1999) preserves the goal to strengthen the capacity of Cuban NGOs to promote a participatory and decentralised model of sustainable development. The three principal objectives are to: (i) strengthen the capacity of farmer cooperatives and urban food producers to promote food security; (ii) strengthen the capacity of Cuban social organisations to promote participatory development solutions through popular education and pilot projects; and (iii) foster greater collaboration and learning among Canadian and Cuban NGOs. A gender equity approach was being pursued under the first two objectives. Alternatives will implement an innovative community-based development project valued at Canadian $1.2 million in the Rio Cauto area of Oriente, in partnership with the Centre for Psychological and Sociological Research (CIPS) of the Cuban Ministry of Science, Technology and the Environment (CITMA). The goal of the project was to assist Cuba in designing and implementing a model for the management of local development by reinforcing rural Popular Councils in the Province of Santiago de Cuba. The project comprised social, economic and environmental development.
machinery, inorganic chemicals, cereals, and vegetables. In the same year, imports from Cuba decreased 15.3 per cent to US$ 895.2 million including mineral ores, copper, tobacco, beverages, fish and seafood (http://www.canadainternational.gc.ca/cuba/bilateral_relations_bilaterales/canada_cuba.aspx).

During 2001-2004, officials from Cuba and Canadian International Development Agency (CIDA) agreed on the broad outlines of the bilateral programme. The programme focused on (1) continued modernisation of the state through support to key ministries in economic reform and governance (taxation and economic planning), as well as through retraining of workers in technical industries; (2) the promotion of community-based participatory development through various initiatives with non-governmental and community-based organisations and associations; (3) the maintenance of Cuban gains in health and education (social sector) through the production (editing and printing) of primary school textbooks and the shipment of pharmaceutical products and medical supply/equipment donations; and (4) the environment, including Climate Change initiatives and agro-forestry.

Also, the Industrial Cooperation (INC) programme supports Canadian private sector firms in their efforts to create long-term sustainable business associations with Cuban partners. The INC programme has supported projects in various sectors of the economy, including energy, agriculture, health, mining and industrial development (partnership associations). Since 1994, INC has approved 39 contributions to perform developmental activities associated with Canadian investment partnership in Cuba. Canada's support has contributed to complement local development efforts by providing advanced technology, export markets opportunities and capital to develop new infrastructures in Cuba. CIDA and INC have contributed Canadian $7.9 million for these activities that helped to confirm more than Canadian $14 million worth of investment and the creation of at least 900 jobs in Cuba.

The link of economic cooperation with Canada was resumed in 1994 with specific donations aimed to food programmes and the public health care sector. Since 1996, three CIDA funded programmes have been designed; the first from 1996 to 2000 and the second from 2000 to 2004. A third programme (2004-2009), the first
long-term programme, was agreed on with a budget of 22.5 million in Canadian dollars, independently of the resources allocated to other co-operation projects with universities, non-governmental organisations (NGOs) and other institutions. The first two programmes of cooperation were centred in the fields of macro economy, health, food aid and security, environment, while in the present programme, the fields of macro economy, community development, and health are developed on mutual basis. In the field of community development, the five eastern provinces are given priority.

In response to the damage and hardship caused by hurricanes and other natural disasters, in 2008-2009, CIDA provided humanitarian assistance due to Hurricanes Gustav and Ike, and tropical storm Fay, which had affected more than 1.5 million people. CIDA assisted 3,400 vulnerable households through the provision of emergency relief kits to help meet basic human needs and through addressing health, emergency shelter, water and sanitation needs. Approximately half of CIDA’s current aid to Cuba is channelled through the Canadian Partnership Branch (CPB). CIDA supports development partnerships between Canadians and Cubans through programmes with universities and NGOs. CIDA’s Canadian Partnership Branch (CPB) contributes to international cooperation initiatives designed and delivered by Canadian voluntary-sector organisations, including NGOs, educational institutions, professional memberships and associations, cooperatives, youth organisations and companies. Canadian Partnership Programmes contribute to key CIDA development priorities like basic education, governance, health, environmental sustainability and private sector development. In the financial year 2008-2009, CIDA’s disbursements for projects and initiatives in Cuba amounted US$ 9.44 million (ibid).

In 1996, the US government took very stern step to halt the process of recovery of Cuba. Many multinational companies invested in Cuba especially in tourism, mining and telecommunications. The world market observed the successes of MNCs in these sectors and many more expressed their willingness to invest in Cuba. The companies came forward to invest in food and beverage, petroleum (energy), tobacco and other emerging industries due to recovery of economy and increasing purchasing capacity of the Cuban populace. In this year, the US government strengthened the embargo by Helms Burton Law.
Cuba-United States Relations

Cuba has experienced bitter relations with its closest neighbour since 1959. The US government has come up with measures and actions to halt the process of economic developments in Cuba by imposing economic embargo and other anti-Cuba activity to derail the pace of socialist development.

(i) Torricelli Act, 1992:

The Torricelli act was one of the continuous initiatives of embargo on Cuba by the US, which is also known as ‘The Cuban Democracy Act’. Just before the 1992 elections, President George H W Bush signed the act, which was an initiative of Robert Torricelli a member of the US House of Representatives with support of Senator Bob Graham However, the act came into effect under the presidency of Bill Clinton. The Torricelli Act made the economic embargo on Cuba more severe by preventing food and medicine from being shipped to Cuba. The only exception left was humanitarian aid.


The act prohibited American companies, including subsidiaries abroad, from engaging in any trade with Cuba. Foreign ships using US ports were not allowed to travel to Cuban ports for a period of 180 days. The cash remittances to Cuba were tightened and the law prohibited Cuba from getting subsidies from the Export-Import Bank or from trading with US companies (http://en.wikipedia.org/wiki/Torricelli_Act).

(ii) Helms Burton Act, 1996:

In 1996, the US government took very stern step to halt the process of recovery of Cuba. Many multinational companies had invested in Cuba especially in Tourist industry, Mining, and Telecommunications. The world market observed the successes of MNCs in these sectors and many more expressed their willingness to invest in Cuba. In 1996, the US Congress under pressure from Cuban Americans and American corporations came up with a desperate response to the Cuban economic recovery the Helms-Burton Bill, ironically called the ‘Cuban Liberty and Democratic Solidarity Bill’ (Cuban Libertad Bill). The bill was primarily targeted against the spate of foreign investments in Cuba.
Senator Jesse Helms of North Carolina and House Representative Dan Burton of Indiana on 29 February brought the Cuban Liberty and Democratic Solidarity bill in the House-Senate Conference Committee which was signed by President Clinton on 12 March to become a law. The text of the bill began by listing the findings of the US Congress which are patently false. For instance, finding 1) states:

"The economy of Cuba has experienced a decline of at least 60 per cent in the last five years as a result of (a) the end of its subsidisation by the former Soviet Union of between 5 billion and 6 billion dollars annually; (b) 36 years of communist tyranny and economic mismanagement by the Castro government; (c) the extreme decline in trade between Cuba and the countries of the former Soviet bloc; and (d) the stated policy of the Russian Government and the countries of the former Soviet bloc to conduct economic relations with Cuba on strictly commercial terms."

The London based 'The Economist' reported that Cuban GDP fell by 35 per cent between 1989 and 1993. The economy has started making a recovery since then. The growth rate was 0.7 per cent in 1994, 2.5 per cent in 1995, and is expected to be 5.0 per cent in 1996.20

Finding 2) states

"At the same time, the welfare and health of the Cuban people have substantially deteriorated as a result of this economic decline and the refusal of the Castro regime to permit free and fair democratic elections in Cuba."

However, it is well known that throughout the period of extreme deprivation, the Cuban regime provided minimal ration and did not allow a single school or hospital to close down. Unlike Russia and other East European countries, the human development indicators have not regressed (Alarcon 1997).

Thus, the bill contains 28 findings claiming undemocratic nature of the Cuban government. Based on the above and other such equally baseless findings, the Act

20 Quoted in Economist, 6 April 1996.
sought international sanctions against the Castro government in Cuba and plans for the
support for a transition government leading to a democratically elected government.
The Act contains the following four titles:

Title I – Strengthening International Sanctions against Castro Government

Under this title, the act divided in sixteen sections discusses the propositions of
the US view on Cuba. The titles of all the sections clearly define their content and
motive. All existing US sanctions against Cuba are to be codified into a law. Till
now, the President had the authority to lift sanctions on his own however, it is to be
vested with the Congress now. Other provisions include US opposition to Cuban
membership in international financial institutions and in the OAS; reducing aid to
foreign governments who provide support to Cuba’s nuclear facility at Juraga
reinstitution of family remittances and travel to Cuba, etc. While Cuba is to be starved
of goods, services and technology, it is to be flooded with television propaganda. The
television Marti service will be facilitated to transmit at ultra high frequency, which
cannot be jammed by the Cuban government.

Title II – Assistance to a Free and Independent Cuba

Under this title, there are seven sections emphasising on the establishment of
democratically elected government. This title not only puts down in black and white
the hegemonic designs of the US, it also spells out the logistics for a changeover from

21 Sec. 101- Statement of Policy, Sec. 102- Enforcement of the Economic Embargo of Cuba, Sec. 103-
Prohibition against Indirect Financing of Cuba, Sec. 104- United States Opposition to Cuban
Membership in International Financial Institutions, Sec. 105- United States Opposition to Termination
of the Suspension of the Cuban Government from Participation in the Organisation of American States,
Sec. 106- Assistance by the Independent States of the Former Soviet Union for the Cuban Government,
Sec. 107- Television Broadcasting to Cuba, Sec. 108- Reports on Commerce with, and Assistance to,
Cuba from Other Foreign Countries, Sec. 10- Authorisation of Support for Democratic and Human
Rights Groups and International Observers, Sec. 110- Importation Safeguard against Certain Cuban
Products, Sec. 111- Withholding of Foreign Assistance from Countries supporting Juragua Nuclear
Plant in Cuba, Sec. 112- Reinstitution of Family Remittances and Travel to Cuba, Sec. 113- Expulsion
of Criminals from Cuba, Sec. 114- News Bureaus in Cuba, Sec. 115- Effect of Act on Lawful United
States Government Activities, Sec. 116- Condemnation of Cuban Attack on American Aircraft

22 Sec. 201- Policy toward a Transition Government and a Democratically Elected Government in
Cuba, Sec. 202- Assistance for the Cuban People, Sec. 203- Coordination of Assistance Program;
Implementation and Reports to Congress; Reprogramming, Sec. 204- Termination of the Economic
Embargo of Cuba, Sec. 205- Requirements and Factors for Determining a Transition Government, Sec.
206- Requirements for Determining a Democratically Elected Government, Sec. 207- Settlement of
Outstanding United States Claims to Confiscated Property in Cuba.
the present government to a democratically elected government through a transitional government. Specific requirements are listed for a government to qualify as a transitional government and a democratically elected government. Some of the provisions are truly absurd. Provision 7) for the transition government states explicitly that Fidel Castro and Raul Castro should not be included in it. Provision 3) for the democratically elected government states that the government should be moving towards a market oriented economy. Thus, if the people of Cuba freely and democratically opt for a government, which stands for planned development, the US will not recognise it as a democratically elected government.

Title III – Protection of Property of United States Nationals

It has six sections dealing with the propositions on protection of property of nationals of the US. The title recognises the rights of US nationals over property, which was confiscated by the Cuban government after the revolution. According to this provision, US nationals will have the right to bring law suits in US federal courts against foreign governments, companies and individuals, who are found to be trafficking in property, which belongs to them but was confiscated by the Cuban government after the revolution. Trafficking is defined as knowingly and intentionally, selling, transferring, distributing or otherwise disposing off the confiscated property as well as buying, leasing, obtaining control of or otherwise acquiring the confiscated property.

Thus, apart from suing the Cuban government, US nationals will be able to sue those companies who have invested in productive ventures in Cuba. If these companies have subsidiaries in the US, damages can be claimed from these subsidiaries. The lower limit for a case to be admitted in the federal courts is US$ 50,000.

Title IV – Exclusion of Certain Aliens

There is only one section under this title, which puts conditions for restrictions and denial of visa, and exclusions of a person from the US: Sec. 401- Exclusion from

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23 Sec. 301- Findings, Sec. 302- Liability for Trafficking in Confiscated Property Claimed by United States Nationals, Sec. 303- Proof of Ownership of Claims to Confiscated Property, Sec. 304- Exclusivity of Foreign Claims Settlement Commission Certification Procedure, Sec. 305- Limitation of Actions, Sec. 306- Effective Date
the US of Aliens who has Confiscated Property of US nationals or who traffic in such property.

This title provides that the Secretary of State shall deny visa and the Attorney General shall exclude from the US, a person who –

1) had confiscated or had directed or overseen confiscation of property a claim to which is owned by a US national.

2) traffics in confiscated property.

3) is a corporate officer, principal or shareholder with a controlling interest of an entity which has been involved in trafficking in confiscated property.

Or

4) is a spouse, minor child or agent of a person excludable under paragraphs 1), 2) and 3) (Mehta 1996).

(Source: http://www.ustreas.gov/offices/enforcement/ofac/legal/statutes/libertad.pdf)

(iii) The ‘Cuban Five’, 2001

On 8 June 2001, the US federal court in Miami sentenced five Cuban men for life sentences for committing espionage against the US and other related charges. These men; Gerardo Hernández Nordelo, Ramón Labañino Salazar, Antonio Guerrero Rodríguez, Fernando González Llort and René González Sehwerert-are in US prison. The Federal Bureau of Investigation (FBI) had arrested these men were held in solitary confinement for 17 months in a Miami jail. The accused were sentenced in 2001 after a seven-month trial, which had begun in November 2000. The Cuban government argued that they were falsely implicated. The accused pointed in their defence that they were involved in monitoring the actions of Miami-based terrorist groups to prevent attacks on their country and that their actions were never directed at the US government.

The Cuban government claims that more than 3,000 Cubans have died as a result of terrorist attacks organised by Miami-based Cuban exile groups.
On 9 August 2005, after seven years of imprisonment, a three-judge panel of the 11th Circuit Court of Appeals overturned the convictions of the Cuban Five and ordered a new trial outside Miami, which Cuba claimed as if the Cuban Five won an unprecedented victory on appeal and organised many protests to free them. On 31 October 2005, the 11th Circuit Court vacated the three-judge panel’s ruling and granted an “en banc” hearing before the full panel of 12 judges. After one year the panel voted 10 to 2 to deny these five Cubans a new trial.

(Information by CD titled All about Cuba from Embassy of Cuba in India)

On 20 August 2007, a three-judge panel had an oral hearing at the Atlanta Court of Appeals for the 11th Circuit. As in the two previous hearings held in March 2004 and February 2006, the parties-US-government and the defence put forth their arguments and replied to the questions put to them by the judges. On 4 June 2008, the panel reviewing the case of the Five, made up of Judges Stanley Birch, Phyllis Kravitch and William Pryor, expressed its opinion, after that Court plenum August 9, 2006 annulment of its previous decision of August 9, 2005 that overturned the convictions of the Five and called for a new trial, having found that they had not received a fair trial. On that occasion, the plenum instructed the judges to review the other arguments behind the appeal. The panel expressed its opinion, ratifying the guilty verdicts of the Five; ratifying the sentences of Gerardo Hernández and René Gonzalez; annulling the sentences of Antonio Guerrero, Fernando González and Ramón Labañino and referring the cases once again to the Miami District Court so they could be re-sentenced at a hearing to be called for this purpose (Weinglass, Leonard, Chronicle of an Injustice Brief Summary of the Case of the Cuban Five, Embassy of Cuba in India).

Despite the US embargo in 1996, Fidel government brilliantly managed the situation even after slowing down of the economy. In 1997, with the idea of reversal of some of the reform measures, consolidation of faith by National Assembly elections in 1998, some new reform measures in 1999, the Fidel government reconsolidated their position as strong votary of socialism with good results in 2000-01. Seeing the failure of the Helms- Burton Law, dissidents living in the US planned again to create some hurdles by a new project called the Varela Project.
(iv) The Varela Project, 2002

It is observed that the project was another form of Helms Burton episode, whereas Helms-Burton targeted on economic blockade, the Varela questioned the validity of the constitution. On 10 May 2002, Osvaldo Paya, a representative of the Cuban Christian Liberation Movement, submitted a petition containing more than 11,000 signatures to the National Assembly. The petition was part of the Varela Project, as it is commonly referred to in the Western media and named after a nineteenth-century Cuban priest and national hero, was endorsed by the then US president George W. Bush and former president Jimmy Carter. It received assistance from the diplomatic staffs in the US Interests Section. The petition contained twenty points that ostensibly called for broader freedom of statement and association, amnesty for political prisoners, property rights, free enterprise and changes in the electoral system.24

The Varela project was meant to solicit a dramatic change to the political, economic and social systems. Considering one example, Article 88 of the Constitution establishes that the right of legislative initiative, the right to present new laws to the National Assembly for consideration accrues to:25

a) the deputies of the National Assembly of People's Power;

b) the Council of State;

c) the Council of Ministers;

d) the Commissions of the National Assembly of People's Power.

e) the National Committee of the Central Organisation of Cuban Workers and the national boards of the other mass and social organisations;

f) the Supreme Popular Court, in material related to the administration of justice;

g) the Attorney General, in material within its competence;

h) to the citizen (with the stricture that this right be exercised by at least ten thousand citizens who are eligible to vote ).

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24 The petitioners stated that the right to present the demands and request a referendum was guaranteed under articles 63 and 88 (g) of the Constitution of Cuba. Quoted in Ramy, Manuel, Alberto, The Varela Project: Its Juridical and Legal Viability, (Havana: Progresso Weekly, 2002).

The Varela Project was a legal exercise and political mobilisation against the Cuban government. It demanded fundamental change in the arrangements that exist under the Cuban Revolution. The aim at its core was the drive to dismantle the socialist state, re-install capitalism and reverse the trajectory followed since 1959. In response, the Cuban government characterised the Varela Project as:

part of a strategy of subversion against Cuba that has been conceived, financed, and directed from abroad with the active participation of the US Interests Section in Havana. It is part of the same subversive design and has no basis whatsoever in Cuban law. It is a crude manipulation of Cuba's laws and Constitution.26

Likewise, Article 63 does not cover or deal with the issue of referenda. It focuses on the rights of citizens to lodge complaints and requests to the authorities and obtain, within a legally prescribed period, a reply. Article 63 commonly “applies to complaints brought to the Attorney General’s Office concerning denial of rights, seeking remedies to administrative decisions perceived to be unjust or redress of harms caused by a public agency”. Only the National Assembly, under Article 75, is authorised to call a referendum. Thus, it is necessary to “differentiate between an initiative to pass a new law and an initiative to amend the Constitution”. The National Assembly has the power to amend particular sections of the Constitution.27 During the trials of the seventy-five government opponents in April 2003, it was revealed that Osvaldo Alfonso Paya had received money from Carlos Montaner- a known operative of the US Central Intelligence Agency and instructions on how to further advance the Varela Project.


27 However, Article 137 stipulates areas that Cannot be amended or require a broad spectrum of approval before they can be amended. That is why the Constitution contains an article that specifically states that certain issues in the Constitution may not be amended directly by the actual members of the Assembly, that is, they are reserved as intangible aspects, as aspects that must be protected. Ramy, Manuel, Alberto, The Varela Project: Its Juridical and Legal Viability, (Havana : Progresso Weekly, 2002).
In June 2002, more than eight million Cubans mobilised around a petition organised by mass organisations to declare the socialist foundation of the Republic of Cuba “untouchable”. In a special sitting lasting three days, the National Assembly discussed the petition and then voted to declare “the socialist system to be ‘irrevocable’ and stated also that Cuba would not return to capitalism”. Vice-President Carlos Lage affirmed that “a return to the past is undesirable, unthinkable and impossible for our people. The revolution is invincible”.

Relations with the European Union and Other Western Countries

The relations of the EU with Cuba are governed by the common position, as approved by the Council of Ministers in 1996. It has subsequently been confirmed in June 2004. On the basis of its ‘Common Position’, the EU favours a constructive engagement with Cuba. It gives priority to a constructive dialogue with the Cuban authorities and civil society. Since the mid-1990s, the EU has become a major partner of Cuba in promoting trade, investment, tourism, and cultural and academic exchanges. The EU is Cuba’s most important trade partner and its main source of cooperation was funds (before the Cuban’s refusal in July 2003) and FDI. Cuba has signed agreements on investment protection and promotion with all member states except Sweden and Ireland. Cuba remains the first market for European products in the Caribbean region. The EU’s trade balance with Cuba stood at nearly €525 million at the end of 2003, with EU exports to Cuba exceeding imports from Cuba by about 200 per cent. There are many landmark programmes between Cuba and the EU community.

Since 1993, the community has financed close to €145 million of assistance measures, of which the vast majority in the field of humanitarian aid through ECHO, i.e. €86 million until 2001. It is estimated that some 16 per cent of the total population in Cuba have benefited from this aid. The food security programme has been another important provider of funds, especially in the first five years of EU assistance with some €20 million altogether, targeting close to half a million people. Since 1998, the

budget co-financing of NGOs and economic co-operation with Latin American countries have become areas of interests between them, with funding reaching €18.8 million and €14.8 million during 1998-2001.

In the year 2000, the Commission decided to phase out humanitarian aid on a programmable basis since Cuba was no longer in a state of generalised emergency, and to mobilise financing for projects promoting economic reform and civil society development. Under the NGO co-financing scheme, projects and partners in a variety of sectors, including agriculture, health and education, have been supported. The economic co-operation facility focused on projects contributing to economic and legal reform, promoting contacts between European and Cuban firms, as well as enhancing the business administration skills of Cuban executives in charge of running companies. Under the 2002 and 2003 budget, allocations for Cuba have focused on supporting fiscal and financial management, introducing and applying international accountancy standards in Cuban enterprises, strengthening the financial sector through capacity building at Central Bank and commercial bank level, assisting in urban waste management and facilitating Cuba's participation in a Caribbean fight against swine fever project.

The bulk of assistance provided by the member states engaged in development of co-operation programmes with Cuba goes into economic support measures targeting in particular the furthering of trade and investment opportunities for European companies, vocational training, small-scale agricultural support and local infrastructure. Environmental protection has recently appeared as a new point of concentration. Food security measures and assistance to health services are partly channelled through European NGOs.

The fourteenth evaluation of the common position in June 2004 expressed regret at Cuba's refusal of EU cooperation. It reiterated the continued preparedness to provide EU cooperation to Cuba, when conditions permit, in areas that promote the transition to pluralist democracy, respect for human rights and fundamental freedoms,
as well as in areas that promote sustainable economic growth and an improvement in the living standards of the Cuban population.²⁹

In 2003, the EU put all relations with Cuba on hold after some 75 dissidents were arrested and sentenced to up to 28 years in prison. Castro’s government responded in kind by breaking off all ties with the European embassies in Cuba. Since June, however, many of the dissidents have been released. Following the EU decision of June 2003 to invite members of the opposition to attend the national day events of member states, the Cuban government reacted by declining to engagements in developing co-operation with the EU and its member states. Furthermore, the ambassadors of the EU member states in Havana have no access to Cuban government agencies. Also, as a result of the unilateral Cuban termination of development cooperation, the previous direct official cooperation between Germany and Cuba in the fields of development cooperation, scientific and technical cooperation and culture had been suspended for the foreseeable future.

In January 2003, Cuba applied for the second time for membership of the Cotonou Agreement between the EU and the ACP states, but withdrew it once more in May 2003. Afterwards, Cuba has announced it has resumed official contacts with the eight EU countries of France, Britain, Germany, Italy, Austria, Greece, Portugal and Sweden. Cuban Foreign Minister Felipe Perez said the decision was made after the EU recommended that member countries will work to improve relations with Havana, in part by stopping to invite dissidents to national holiday celebrations at their embassies. “Due to these pronouncements, Cuba has decided to resume official contact with a group of EU countries”, Perez told a news conference, which was attended by ambassadors of these European countries in Havana.

European diplomats welcomed the announcement as a major step towards normalising relations between Cuba and the European Union, the island’s main trade

²⁹ Besides, Cuba has also played an active role in the various regional fora for political dialogue, as exemplified by its participation in the meetings for the EU-Latin American-Caribbean Summits, which took place in Rio de Janeiro in June 1999, in Madrid in May 2002 and Guadalajara (Mexico) in May 2004. In Barbados on 5-6 May 1998, the ACP (Africa, Caribbean and the Pacific) Council of Ministers took the decision to allow Cuba to participate as an observer at the meetings of the group, promoting the island’s integration into the region. On 14 December 2000, the ACP Council approved Cuba’s request for full membership.
and investment partner. While, Cuba had already restored contacts with Spain, whose
government called for the policy review to end the deadlock with its former colony,
Belgium avoided the diplomatic freeze by not inviting dissidents to its receptions. Still
on Cuba’s blacklist among the EU countries with embassies in Havana are the
Netherlands, Poland, the Czech Republic and Slovakia, which have opposed a
softening in policy until Cuba releases all political prisoners.

In July 2010, Raul Castro government has announced that 52 political prisoner will
be released who were arrested during March 2003 crackdown on dissenters. But, all
these will live in Spain in exile with their families. The Spanish government and the
Roman Catholic Church had been negotiating for this change of heart. However, some
believe that the decision is taken in view of international pressure exerted on Havana
after the death of a hunger striker in February and continuing critical
condition of
other. The foreign minister of Spain, Miguel Angel Moratinos has termed this
initiative as ‘a new era in Cuba’. Meanwhile, Spain is urging the EU to soften its
common position on Cuba (The Indian Express, 9 July 2010, New Delhi).

(i) Normalisation of Relations with the European Union:

The normalisation of relations with the EU began in December 2000, when
Cuba was accepted by the Asian, Caribbean, and Pacific (ACP) countries of the EU as
a member. The ACP membership was a requirement for Cuba to enter the Cotonou
Accord and be eligible to receive aid from the $15.5 billion development fund of the
EU, established to help ACP countries. However, Cuba’s entrance to the Cotonou
Accord was halted in response to the EU countries’ support of resolutions from the
UN Commission on Human Rights that censured Cuba for repressing dissidents. In
December 2002, Cuba formally applied to join the Cotonou Accord. Negotiations
started immediately, and the EU Commissioner for Development and Humanitarian
Aid visited the island in March to advance the negotiations and open an EU diplomatic
delegation office in Havana. Five days after the commissioner’s departure, the Cuban
government detained 75 peaceful dissidents and gave them jail sentences from 6 to 28
years. The EU demanded freedom for the prisoners, closed its office in Havana,
suspended Cuba’s entrance to the Cotonou Accord, imposed political sanctions on the

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Cuban government, including banning high ranking EU officials from visiting Cuba and participating in its cultural affairs, and invited dissidents to EU embassies on national day celebrations. In response, Castro accused the EU of being a “little band of gangsters shamefully serving the Nazi-fascist government of the US,” and the Castro brothers led demonstrations in front of the Spanish and Italian embassies in Havana and insulted the chiefs of government of both nations. On 5 June 2004, the EU unanimously approved a “Common Position,” condemning the Cuban government and reiterating the demand for the release of the 75 political prisoners and an end to the repression of dissidents (Mesa-Lago and Pérez-López 2005).

On 17 November 2004, a resolution of the European Parliament ratified the Common Position, called again for the release of Cuba’s political prisoners, and condemned the expelling of three European parliamentarians who had landed at the Havana airport in an attempt to meet the dissidents. In response to the EU’s actions, Castro froze relations with embassies of all EU countries, banned Cuban officials from attending receptions where dissidents were invited, and virtually paralysed EU diplomats in Cuba. With the March 2004 election of President José Luis Rodríguez Zapatero, Spain led an EU effort to change the status quo; on the other side of the ocean, the Cuban government “temporarily” paroled 14 of the 75 imprisoned dissidents for “health reasons”, but warned that they could be re-incarcerated if they did not behave properly. After months of negotiations within the Committee on Latin America and among member countries, on 31 January 2005, all foreign ministers of the EU signed the Declaration of Brussels, normalising relations with Havana under

30 In a repetition of his confrontational actions in 2003 that aborted Cuba’s entry into the Cotonou Accord, one day after the EU declaration, Castro stated, “Cuba does not need Europe, it has learned how to live without it.” Cuban dissident Vladimiro Roca noted, in an open letter to the EU, that he had predicted Castro would ignore the EU’s efforts and ridicule democratic governments. (Marín, Mar. 2005. “Oposición ve Igual Retórica en Castro.” El Nuevo Herald, February 3, 13A)

31 Former Czech President Vaclav Havel encouraged the EU to avoid engaging dictatorships but instead to support human rights and the dissidents; he also asked the new EU members from Eastern Europe not to forget their tragic experiences with totalitarian governments. Human Rights Watch urged the EU to avoid normalising economic relations with Cuba until Castro liberates all dissidents and implements the needed human rights reforms. It seems that the EU will withhold all economic aid to Cuba until the results of the new policy are evaluated. (Calzón, Frank. 2005. “No Clear-Cut Victory for Cuba.” The Miami Herald, 16 February and Brand, Constant (2005) “La Unión Europea Restablece Relaciones Diplomáticas Normales con La Habana.” El Nuevo Herald, 1 February, 15A)
the following terms: (1) disposition to reopen a constructive dialogue with the Cuban authorities geared to obtain tangible results on political, economic, human rights and cooperation areas; (2) continuous encouragement of human rights and demanding the "urgent" and "unconditional" liberation of all dissidents; (3) although dissidents are no longer invited to national day celebrations, the EU promises to "develop more intense relations with the peaceful political opposition and with wider sectors of Cuba’s civil society through a fortified dialogue"; and (4) the new policy will be revised in July 2005 (Mesa-Lago 2005: 22-23).

During the visit to Strasbourg, the European Parliament asked Cuban Minister of Foreign Relations Felipe Pérez Roque that Cuba makes opening gestures in reaction to the EU normalisation of relations. Pérez Roque refused to make such a commitment (he said: "I have not come here to pass a test"), but suggested that if the 25 members of the EU do not vote against Cuba in the UN Human Rights Commission in Geneva, the Cuban government could sign a pact with the EU on economic, social, and cultural issues, such as prisons and electoral systems (EFE (2005d). “Europa Insiste en que se Haga una Apertura” Havana, 9 March) On the other hand, according to the director of foreign policy for Latin America of the Spanish Chancery, the “fortified dialogue” will include the following activities: (1) every six months the EU ambassadors will meet collectively with the dissidents; (2) every month EU political and human rights advisors will meet the dissidents; (3) periodically, EU human rights advisors will meet with relatives of political prisoners; and (4) high-ranking EU officers who visit the island must raise the issue of human rights with the Cuban authorities and meet with dissidents (Reyes 2005). On 21 March 2005, 12 EU ambassadors in Havana held their first meeting with Cuban dissidents. The latter requested that the EU include the liberation of imprisoned dissidents in its negotiations with Castro, but the ambassadors did not make a commitment. Some of the dissidents attending the meeting reacted positively, while others remained sceptical (EFE 2005e and Mesa Lago 2005: 23-24). The relationship normalised because both counterparts took initiatives due to their economic interests.
Towards Rebuilding Ties with Russia

After the disintegration of the USSR, relations between Cuba and Russia weakened. During the rule of Boris Yeltsin (1991-1999), both experienced very cold relations despite continued diplomatic relations. However, under the leadership of Vladimir Putin, Russia gradually changed course in its policies toward Cuba. In 2000, he visited and granted Castro a US$ 50 million credit, a relatively meagre financial aid package, but one that marked the resumption of an official dialogue between some of Cuba’s and Russia’s highest leaders. During his visit to Cuba, Putin emphasised that Russia had no ideological agenda in the region and instead wanted practical deals that would benefit Russian businesses, pointing to a pragmatic component of the relationship. The trade links between Cuba and Russia increased from US$ 125 million in 2005 to around 231 million in 2006 and then to 285 million, with the trade turnover peaking in 2007. These figures made Cuba the seventh largest Russian trading partner in Latin America (but represented only 0.05 per cent of Russia’s total foreign trade). More significant than the trade relationship between the former allies was the revival of their strategic partnership (Haperskij, Evgenij Cuba – Russia Now and Then, Council of Hemispheric Affairs, http://www.coha.org/cuba-russia-now-and-then).

In 2008, Cuba politically supported Russia during the latter’s war with Georgia over the republic of South Ossetia. In response, in November 2008, Russian President Dmitry Medvedev visited Cuba to strengthen economic ties and to allow Russian companies to drill for oil offshore in Cuban waters, and to allow Russian mining companies to mine nickel in Cuba. Russian Deputy Prime Minister Igor Sechin visited Cuba several times in 2008 to increase economic and political ties. Russia was the first country to provide aid to Cuba after three hurricanes devastated the country in the fall of 2008. The assistance provided by Russia included four planes of food, medical supplies and construction supplies. As a positive gesture, Raul Castro went a week-long visit to Moscow from 28 January 2009-4 February 2009. The talks included $20 million worth of credit and 25,000 tons of grain as humanitarian aid to Cuba. In July 2009, Russia began oil exploration in the Gulf of Mexico after signing a deal with Cuba. Under the new agreement, Russia has also granted a loan of $150 million to buy
construction and agricultural equipment. Since then the relations have achieved a high after cold war.


**Cuba and the Third World Solidarity**

Cuba plays a considerably important role in third world community, specifically in Latin American and Sub-Saharan countries, by challenging the present world economic and political order and often voicing publicly what other nations will not or are unable to state due to fear of some form of retaliation, such as an interruption in aid and trade relations with developed countries. In April 2003, Cuba was elected by acclamation to the United Nations Human Rights Commission, a membership it has held for the last fifteen years. Cuba has repeatedly called for the democratisation of the UN, the cancelling of the debt owed by developing countries and a restructuring of international commercial and financial relations. At the Third World Conference against Racism, Racial Discrimination, Xenophobia and Other Related Intolerances, held in Durban, South Africa, Castro declared:

> May the arms race and the weapon commerce that only brings devastation and death truly end. Let it be used for development of a good part of the one trillion US dollars annually spent on the commercial advertising that creates false illusions and inaccessible consumer habits while releasing the venom that destroys the national cultures and identities.  

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While condemning the 11 September 2001 attacks on New York City, Cuba has opposed Washington’s ‘war on terrorism’ as merely a pretext to impose US dictates in international affairs. Cuba’s opposition to the 2003 US-led war on and military occupation of Iraq mirrors Havana’s stance against the first US-led war against Iraq, the preparations for which it opposed during its two-year term – from

1990 to 1991 – on the UN Security Council. It also refused to endorse economic sanctions, condemning the denial of food and medicine to the Iraqi people as a violation of human rights (Castro and Alarcon 1990: 63-72). On 7 August 1990, President Castro had sent a letter outlining Cuba’s concern to all governments of the world, particularly Arab heads of state.

The Cuban government and various mass organisations and professional associations have convened numerous international symposia to discuss debate and oppose neo-liberal globalisation. This is a continuation of the Cuban struggle for a new international economic order. Since 1999, an annual conference of economists and other scholars – the International Meeting of Economists on Globalisation and Problems of Development – has been hosted in Havana. Cuba’s most outstanding example of internationalism has been its aid to several national liberation, anti-colonial and anti-imperialist movements. While this internationalist spirit has been immeasurably amplified under the Cuban revolution, it is important to note that it has deep roots in the island’s history, epitomised by the life of Jose Marti, who was not simply fighting to overthrow the Spanish rule and winning political independence for Cuba, but was also fighting as an international revolutionary to secure the liberation of his continent, and indeed of the world (Kirk 1983).

In the 1970s, extensive assistance was provided to Nicaragua during the struggle of the Sandinistas against the Anastasio Samoza’s dictatorship. Once the Sandinistas triumphed, Cuba sent construction workers, doctors, teachers and technicians to aid in the re-construction and development of Nicaragua. Similar help was rendered to the Grenadian Revolution from 1979 to 1983. The island has also provided a safe haven to African-American, Puerto Rican and other political exiles.

The most dramatic and, arguably, significant internationalist mission was Cuban military assistance to help the Angolan government to repulse South African aggression. From 1975 to 1990, more than 300,000 Cuban volunteers participated in repelling several South African invasions, with more than 2000 Cubans losing their lives (Navarro 2000). The decisive defeat of the South African Defence Forces (SADF) at the town of Cuito Cuanavale in 1987-88 not only drove the apartheid army out of Angola, but also directly contributed to Namibian independence and accelerated
the dismantling of apartheid in South Africa. Ironically, Cuba’s role in ending racist rule in South Africa is little known. Cuba’s involvement in Angola dates back to the 1960s, when relations were established with the Movement for the Popular Liberation of Angola (MPLA), the principal organisation in the struggle to liberate Angola from Portuguese colonialism (Saney 2004: 192). Continuing with the spirit, in 1977-78, Cuba entered in the Ethiopian crisis and played a vital role. Thus, in the era Cold War, owing to its role in Angola and Ethiopia, Cuba gained the status of a privileged ally (of Soviet Union), which yielded increased leverage in insisting on increased economic and military aid from the Soviet Union (Narayanan 1978).

During a 1991 visit to Cuba, Nelson Mandela outlined the significance of the island’s contribution:

The Cuban people hold a special place in the hearts of the people of Africa. The Cuban internationalists have made a contribution to African independence, freedom and justice unparalleled for its principled and selfless character.... We in Africa are used to being victims of countries wanting to carve up our territory or subvert our sovereignty (Mandela 1993).

Further, the episode of co-operation with the African countries continued. On 6 June 2005, King Mswati III of Swaziland visited Cuba. The official talks were held with President Fidel Castro, the Swaziland ruler stated that “his country is soon to be benefited from the cooperation that Cuba has widely offered throughout Africa for decades”. Earlier the king had travelled to Cuba in the year 2000 to participate in G-7 Summit in Havana. Also, the President of the Republic of Cape Verde, Pedro Verona Rodrigues Pires, visited the island on 5 June 2005 and described Cuba’s advances in medicine and biotechnology as extraordinary. This was his first official visit to Havana after becoming President of the African Nation in 2001.33 (Granma International, 19 June 2005, p.5)

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33 Ibid, During his four day visit inserted within the historic and fraternal relations between the two, Rodrigues Pires was decorated with the order of Jose Marti by his counterpart, Fidel Castro with whom he held official talks.
Relations with the People’s Republic of China

After the rupture of relations with the Soviet Union, the People’s Republic of China has emerged as a new partner for Cuba’s foreign relations in the east. The relations between Cuba and China continued to grow, including deals for China to set up a possible military base in Cuba, similar to the Bejucal Base. An agreement was signed between Cuba and China for opening of more factories producing local goods such as televisions and other products. Cuba has purchased from China a wide range of items, including bicycles, rice cookers, energy-saving light bulbs, diesel-electric locomotives and other these types of daily utilities items.

(i) Agreements with China:

Due to political divergences in the past and their two significantly diverse economic models (market socialism in China and centralised command socialism in Cuba), the two countries have been at odds many times. Despite their differences, in 2003 China was Cuba’s fourth largest trade partner, with 7 per cent of total transactions, after 14 per cent with Venezuela, 13 per cent with Spain, and 8 per cent with Canada. In addition, China provided credits from 1990 through 1994 for imports and construction of a factory to build bicycles and fans, as well as imports of pharmaceutical products and equipment. About 61 per cent of Cuba’s total exports to China are nickel (an important raw material needed in China’s booming economy), the rest are sugar, tobacco, fish and seafood, and rum (Juventud Rebelde, 21 December, 2004). In 2004, an Entrepreneurial Committee was established by the two countries and 37 representatives of China’s large enterprises visited Cuba to discuss projects on electronics, telecommunications, biotechnology, and pharmaceuticals (Musa 2004 and Mesa-Lago 2005: 10-13).

In November 2004, as part of his tour of several countries in Latin America, Chinese President Hu Jintao went to Havana, met with Fidel and Raúl Castro, and signed several beneficial trade and aid agreements, including the following: (1) a deferral for 10 years of the payment of Cuba’s financial obligations to China accrued from 1990 through 1994, estimated at about US$ 37.8 million; (2) a donation of US$
6.1 million to purchase Chinese textiles; (3) a credit of $6.1 million to be paid in 15 years with a grace period without interest in the first five years, to buy materials and spare parts for hospitals, clinics, and dental and optical units (the combined value of the first three agreements was officially reported as US$ 50 million); (4) a credit to buy one million TV sets in China to be paid in 8 years with a 2-year grace period at 5.89 per cent interest (the amount of this credit is undisclosed but might be about US$ 150 million); (5) a credit of US$ 500 million from Chinese banks toward the creation of a mixed enterprise (51 per cent Cuban and 49 per cent Chinese) to resume construction of the ferronickel plant left unfinished by the USSR and other eastern European countries; this is most likely the Camariocas plant, with a capacity to produce approximately 22,500 tons of nickel per year for a period of 25 years; the loan shall be paid in 15 years with a grace period during construction (Cuba will export to China 4,000 tons of nickel annually from 2005 through 2009 at undisclosed prices); (6) studies will be started to establish a mixed enterprise (51 per cent Cuban and 49 per cent Chinese) in a new nickel deposit in San Felipe, Camagüey, which would produce 50,000 tons annually, with an investment of US$ 1.3 billion provided by Chinese banks; (7) an oil exploration contract with China’s Petroleum and Chemical Corporation (SINOPEC), though Castro has warned that the Chinese do not have experience in exploration in deep waters; (8) other potential credits are under discussion for refurbishing and modernising Cuban hospitals for domestic and foreign patients and infrastructure works such as ports, railroads, ships, and oil and nickel equipment, and (9) the building of a Chinese hotel in Cuba, though few Chinese tourists currently come to the island34 (Granma 25 December 2004(b) and Mesa Lago 2005: 10-13).

34 The most important of these agreements are those related to nickel exploration and extraction. If the Chinese investment in this industry materialises, the combined production of the unfinished plant and the new one would be 72,000 tons annually, thus almost doubling current nickel output of 77,000 tons. This would result in a significant expansion of the installed capacity, contrasted with Canadian investment in that industry that, until the end of 2004, basically concentrated in refurbishing installed capacity in the Nicaro and Moa plants built by the United States in the 1940s and 1957 respectively. It is not clear from Cuban reports, however, what the time span will be to get the two plants in operation, and there is a crucial question about their technology.
In December 2004, Castro reported an agreement under discussion with Sherritt International for a US$ 1 billion investment to expand the installed capacity of the Moa plant and increase its output by 53,000 tons annually, from 32,000 to 85,000 tons. He added that, combined with the Chinese investment in the new plant, nickel output will double (Granma, 25 Dec 2004(b)).

In March 2005, it was reported, however, that the agreement actually signed was to invest US$ 450 million (50 per cent Sherritt and 50 per cent Cuba) in the existing Moa plant to increase output by only 16,000 tons annually (“El Gobierno…” 2005). The combined expected results of the Chinese committed credit and Sherritt investment would be an increase of 38,500 tons of nickel in the next 10 to 25 years, 50 per cent more than current output of 77,000 tons. Do these beneficial agreements mean that China supports Cuba’s state centralised economic model? The answer is a resounding ‘no’ according to a document from the Institute of Latin American Studies of the China Academy of Sciences, published before the recentralisation process was accelerated in Cuba. It compares the economic success of China, based on a vigorous market-oriented reform since 1978, with Cuba’s stagnation, resulting from timid reforms, and offers some important lessons to the Cuban leadership: openly embrace and speed up the pace of economic reforms; be more liberal in ownership restructuring (for example, privatise agriculture and state enterprises in industry and other sectors); take a more tolerant attitude toward the non-state sector; and stimulate people’s initiative and allow some to become rich in order to promote economic growth (IILA 2002).

China’s concessions to Cuba are relatively small compared with investment and trade pacts signed by President Hu Jintao in the fall of 2004 with several countries in Latin America. China is taking a pragmatic attitude, that is, to obtain needed nickel from Cuba, as well as to show the Chinese Communist Party and leftists around the world that it helps Cuba vis-à-vis the Colossus of the North (Mesa-Lago 2005: 10-13).

Cuba-India Relations

The Cuba-India relations have been traditionally warm and friendly. India was amongst the first countries to extend recognition to Cuba after the 1959 Revolution. Although the diplomatic relations had been established in 1956, the first resident
mission of India in Havana was opened in 1962. In 1972, Cuba upgraded its embassy in Delhi to the level of ambassador. Both countries established a joint cooperation commission in 1989 to enhance exchanges in the fields of agriculture, renewable energy, science and technology. India and Cuba have enjoyed long-standing relations in the fields of sports, health and culture, which have contributed to the exchange of Cuban and Indian experts in those areas. Both countries share common positions regarding the struggle against international terrorism, world disarmament and arms control, and negotiations in the World Trade Organisation. Both countries have maintained close contacts with each other in various international forums, such as the UN, NAM, WTO, etc. Both have supported each other's candidature to various UN bodies. India has supported Cuba against US supported resolutions at the UN Human Rights Council (erstwhile Human Rights Commission), Geneva, on alleged human rights violations in Cuba. India has also consistently voted in favour of Cuban sponsored resolutions in the UN General Assembly calling for lifting of US sanctions against Cuba. Cuba shares India's views on democratising the UN and expansion of the UN Security Council. It also holds the reform of the UN Security Council as central to the overall reform process. President Fidel Castro called for India's inclusion as a permanent member in the restructured UN Security Council. (http://www.indembassyhavana.cu/cuba_relations.html)

In December 1992 while Cuba was passing through severe economic crisis, India donated 10,000 tons of wheat and 10,000 tons of rice which was highly appreciated by Cuba. The Communist Party of India (Marxist) had also mobilised donation of medicines to Cuba in 1993 and of soaps and detergents in 1994 and 1995. Following the earthquake in Maharashtra, Cuba donated US$ 40,000 to the Prime Minister's Relief Fund. In 1995, a 5kW solar power plant was donated to Cuba under Indian Technical and Economic Collaboration (ITEC) programme. In June 1997, India donated medicines worth 5 lakh Rupees to the victims of the October 1996 Hurricane Lily. Following the earthquake in Gujarat, Cuba donated US$ 100,000 to Prime Minister’s Relief Fund. Cuban Deputy Foreign Minister Jose Armando Guerra Menchero described the ITEC programme with Cuba as an example of South-South cooperation. Through this programme 38 scholarships were given in 2005 (ibid).
(i) Havana NAM Summit

During 14-17 September, 2006 Prime Minister Manmohan Singh visited Havana to attend the XIV NAM Summit. The Minister of State for External Affair, Anand Sharma headed the Indian delegation to the ministerial segment of the meeting. The Indian prime minister met with Fidel Castro and Acting President Raul Castro and discussed bilateral relations. The Indian government donated an IT centre to Cuba during Singh’s visit. The IT centre named India-Cuba Knowledge Centre is being implemented by the NIIT. The centre was inaugurated by Anand Sharma during the NAM Summit on 14 September 2006. In these four years, around 800 Cubans have been trained at the centre. The teaching faculty consists of three professors from the NIIT. The Indian government, on the request of the Cuban side, has extended the project by one year till 2010, keeping in view the excellent bilateral relations (ibid).

(ii) Sports and other Cooperations

In February 2007, then Minister of Sports Mani Shankar Aiyer visited Cuba. An agreement on sports cooperation was signed during his visit. An action plan for strengthening Indo-Cuba sporting links was also agreed upon during the visit. Cricketer Robin Singh accompanied the minister to explore the possibilities of running an India sponsored cricket development programme in Cuba. As a positive gesture, First Vice- Minister for Sports in Cuba Leon Richards visited India in May 1997. The Amateur Boxing Federation and the Army sports Institute, Pune, have been hiring Cuban coaches for boxing, athletics, volleyball and diving on a regular basis. The coaching by Cuban specialists has helped Indian Boxers to win medals in various competitions including Olympics (ibid).

India granted an aid of two million USD in cash as disaster relief assistance to Cuba in the wake of massive devastations caused by the hurricanes Gustav, Ike and Paloma during August and September 2008. The donation was a measure of solidarity towards the friendly people and the government of Cuba, and this act further strengthened the existing warm and friendly bilateral ties. Cuba accepted with thanks this gesture of solidarity from the Indian people and Government.
(iii) Cuba-India Trade:

In 2002-3, total trade between the two was US$ 8.45 million, reduced in 2003-4 to US$ 6.80 million, but since 2004 it has increased year wise: in the financial year 2004-5, US$ 9.17 million; in 2005-6, US$ 15.23 million, in 2006-7, US$27.94 million, in 2007-8, US$ 33.38 million and in 2008-9, US$ 38.47 million. (Figures from Ministry of Commerce, Government of India) Substantial exports from India take place via third countries especially from Spain, Canada, and Panama. Even in Cuban exports to India, the share of trade via third countries is substantial. Main commodities exported from India to Cuba are electronic items, cotton yarn fabrics and made-ups, medicines and disposables products, pharmaceutical raw material and fine chemicals, plastic and linoleum products, machinery and instruments, tyres and propylene sacks, oil drilling and steel tubes, iron tubes and sheets, agrochemical products, spices, footwear kits, cables and wires, etc. Main Commodities being exported to India from Cuba are vaccines, medicines (like melagenina, interferon and streptokinase) nickel, and cigars.

In spite of excellent bilateral political relations and existence of the potential and desire to increase bilateral trade, Indian (direct and indirect) exports to Cuba remain low in the region of US$ 40 million due to the difficulties of access to foreign exchange in the hands of importing entities, the difficulties of doing business with Cuba's socialist system, the small volume of orders for goods and relatively high transport costs from India. Several Indian companies are now taking a fresh look at the Cuban market. To counter the economic slowdown Cuba has initiated severe austerity measures and has cut imports by 20 per cent. Trade relations between India and Cuba rejuvenated with the decision of the Cabinet Committee on Economic Affairs to waive of duties of Indian companies on Cuba amounting to 347 crore rupees approximately. It facilitated resumption of credit facilities/ insurance cover by the EXIM Bank and Export Credit Guarantee Corporation of India (ECGC) to Cuba to enhance bilateral trade and investment. After a gap of 15 years, an Indian Business delegation led by Mr Anil Mukim, Joint Secretary , Ministry of Commerce participated in the 26th Havana International Trade Fair from 2- 5 November 2008. There is immense scope for trade
in the field of chemicals, food and beverages, engineering good. In June 2008, India and Cuba finalised India Cuba Hydrocarbon Agreement for cooperation in the oil and gas sector. Cuba has invited Indian investment in a new refinery project planned on the west coast of Cuba. The project is slated to have a capacity of 150 thousand barrels a day (7.5 million tonnes per annum). Further, Indian companies could also participate in the capacity expansion and upgradation of the existing refineries. In 2007-2008, the Cuba's exports to India saw a quantum leap of more than 1100 per cent due to the exports of mineral fuels, mineral oils and products of their distillation, bituminous substances and mineral waxes (13.24 million USD). Keeping in view the excellent bilateral relations and Cuba's ongoing agricultural reforms, in November 2009, India extended a Line of Credit of 5 million USD to Cuba for the purchase of agricultural machinery from India. The Cuban government thanked India for this goodwill gesture. Cuba is working on a proposal to establish a milk powder production plant under this credit line. Cuba is very keen for the opening of the EXIM bank credit line (http://www.indembassyhavana.cu/cuba_relations.html).

In these four years, Oil and Natural Gas Corporation (ONGC) Videsh Limited entered the Cuban oil prospecting market by signing an international economic association agreement with REPSOL for 30 per cent participation in deep-sea exploration in 6 blocks in the Cuban sector of the Gulf of Mexico. OVL has also signed a direct deal with Cuba's Petroleo for exploring two blocks in the deep sea. The company has set up an office in Havana. Now, it has stakes in eight deep sea blocks of Cuban EEZ (Exclusive Economic Zone) sector for oil exploration. Till 31 January 2010, the company has invested about US$ 65 million in Cuba. In the area of Biotechnology, A state-of-the-art biologics facility was set up in Bangalore by Biocon Pharmaceuticals, an Indo-Cuban joint venture for production of BIOMAB EGFR (h-R3), a monoclonal antibody for treatment of head and neck cancer. The facility is the largest of its kind in Asia and its products prevent the growth of cancer cells (ibid).
Summary and Conclusion

The chapter outlined the relations of Cuba with Latin American Counties since 1960s, focusing mainly on the period of the 1990s. The special emphasis has been given on the restructuring programme with these countries, which have maintained good relations even in the difficult period of Cuba. The relations with the Caribbean countries, Canada, Mexico, EU, western European Counties, Brazil and Venezuela have been discussed broadly in economic terms and somewhere with political implications. The attempt has been made to describe analytically and briefly the major co-operation programmes and important investment plans, leading to further strengthening of politico-economic relations even in adverse conditions. The well thought co-operation strategies have helped Fidel Castro to maintain the ideological commitment of Cuban revolution.

In the previous five chapters, an attempt had been made to describe analytically the process of political and economic reform in Cuba. Chapter one described major incidences of concern which determined the survival of Cuban socialism since 1959 till 1985. The second chapter tried to see the depth of crisis and need of rectification to correct the previous mistakes done at different level. How the measures taken in special period help positively to recover from the crisis after the rupture of economic and political relations with USSR. The third chapter broadly discussed the measures taken at political front. Constitutional Changes and Electoral-Political Reforms were discussed in details. Major political institutions like the National Assembly of People’s Power, the Council of State and the Council of Ministers were discussed with their role, power and functions. The grass-roots participation and governance, civil society and mass organisations, labour unions and workers’ parliaments have been analytically discussed, while one section debates over Cuban socialist democracy.

The fourth chapter tried to see the areas and patterns of economic reforms since 1993. It described the initiatives taken by the government such as reforms in agricultural sector, self-employment, legalisation of foreign hard currency, fiscal reforms, exchange rate and monetary reform. How the decision of opening some sectors for Foreign Direct Investment (FDI) helped the economy to sustain the social
policy of Cuba. And, then an assessment of economic restructuring programme was done. The fifth chapter discussed the pace and directions of political reform since 1997 till mid-2010. How Cuba again recovered from economic slowdown. An attempt has been made to look into the aspects of regime transition or continuity from Fidel to Raul.

Cuba took many initiatives with regards to their policy of internationalism. Cuba tried to maintain good relations with all Latin American countries, but due to Cuba's commitment to socialism, many countries of the continent broke relations, with an interest to join hands with the US. In the last decade, relations with the countries of Latin America have been amicable due to phase of democratisation with centre-left idea. Countries like Venezuela and Brazil have maintained a remarkable relation, while others have also followed the path of meaningful relationships. On the issue of NAFTA, Mexico distanced from Cuba, but Calderon rebuilt the relations in the recent years. The EU countries have also continued the relations. In spite of the US economic embargo, Canada has maintained a remarkable relation even at the time of crisis. In Asia, Cuba has relations with China, Japan, India, Pakistan and other countries.