

HAVANA UNDER FIRE FROM HELMS-BURTON

Cuba: Banking on the church to save the revolution

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The United States' embargo always created difficulties for the Cuban economy but the Helms-Burton Act made things worse, especially since the European countries have also been harassing the Castro regime. Paradoxically, Havana is seeking to put an end to its isolation through rapprochement with the Vatican and the local Catholic church.

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To lift the embargo would be mad, according to an American diplomat who would prefer to remain anonymous. Washington had two negotiating cards: Guantanamo and the embargo. If it lifted the embargo, the regime might regain a certain economic prosperity but would not become more open politically. In any case, he added, there was no chance of the Helms-Burton Act being repealed. Indeed, since the United States executive no longer has the prerogative to decide on policy towards Cuba, President Bill Clinton cannot amend the act without legislative consent. Over the next few weeks an action plan is apparently to be drawn up for Cuba's transition to democracy, in accordance with the Cuban Liberty and Democratic Solidarity Act of 1996. This is the official title of the Helms-Burton Act, more popularly known in Miami as the Bacardi law [1].

The act reads like a political manifesto. It calls for the economic sanctions to remain in force pending a democratically elected government or a transition towards democracy that includes neither Fidel nor Raul Castro (Section 205 a). In addition, the act specifies that such a government must be clearly oriented towards a market economy based on the right to, and the ownership of, private property and must restore to American citizens and companies any property nationalised by the Cuban government after 1959 or indemnify them (Section 206).

Titles III and IV of this act have provoked violent reactions among Western countries trading with Cuba. Indeed, Title III provides that United States citizens and companies who are owners of "confiscated property" may take to US courts any foreign companies that make use of or benefit from this property. Title IV provides that directors and shareholders of such companies and members of their families may be refused access to US territory. This ban has already been applied to the directors of the Canadian company, Sheritt International, and the Mexican group, Domos, in breach of the North American Free Trade Agreement (NAFTA). Other entry visas for the US are likely to be revoked soon under the same article.

As regards Title III, on 15 July 1996 Clinton postponed its enforcement for a period of six months. The postponement was later renewed (3 January 1997) [2]. The visit to Europe by US special envoy Stuart Eizenstat resulted in Washington's demands being met: European cooperation with Cuba is

henceforth subject to improvements in the human rights situation. After first denouncing the US violation of international law and authoritarian attitude, the European Union effectively rallied to Washington. The same US diplomat declared that all this had taken a long time and needed some persuasion but that Washington was now happy with it.

The complaint brought by the Europeans before the World Trade Organisation (WTO), the adoption of tit-for-tat legislation [3] to counteract the effects of the act, and the numerous votes of censure in international circles have not prevented the fifteen EU member states from adopting a "common position" based on a (right wing) Spanish government initiative. On 14 November 1996, Spain submitted a document to its partners that was modelled on the US position. Following the application of the cooperation procedures in the area of foreign and security policy set out in the Maastricht Treaty, this European common position was adopted without debate and in record time - three weeks after it was proposed by the government of José Maria Aznar. The links between Aznar and Jorge Mas Canosa, the head of the powerful Miami Cuban American Foundation, no doubt explain Spain's about-turn. Spanish investments have so far eluded American sanctions. While denying any wish to bring about change through coercion, the EU reduced its financial aid to Havana by almost one third in 1996. This reduction first and foremost affects humanitarian aid (medicines and food) [4].

But how is this European climb-down to be interpreted, especially that of France's diplomats? For years they have been criticising the ineffectiveness of the embargo and denouncing Washington's "aspirations to hegemony". The possibility of a series of reprisals evoked by President Jacques Chirac at the G7 summit in Lyon, the spread of the trade war and the disparate interests of the Fifteen no doubt explain this retreat in the face of US aggression. Indeed, the Helms-Burton Act has set a fashion: the D'Amato-Kennedy law likewise provides for economic sanctions against foreign oil companies that invest more than 40 million dollars in the hydrocarbons sector of Iran or Libya. Yet Germany is continuing to set up industrial facilities in Iran. The US has agreed to show more tolerance towards Tehran, demanding in return that first Spain and then the rest of the EU should impose draconian conditions on any economic aid to Cuba.

By some strange mix-up, we have a Castro government that no longer poses any threat to the US, while Iran and Libya are suspected of training terrorists who have killed Americans abroad. But Cuba is less than 200 kilometres from the US coast, so it remains a victim of Washington's geopolitical interests.

The rapprochement between Europe and the US in 1996 came at a time when the Cuban economy was showing signs of recovery. All observers agree that the risk of a slump has receded. After six years of crisis, the macro-economic situation has improved. Daniel Patat, commercial attaché at the French embassy, believes that this recovery is undeniable, though fragile and seriously threatened by the lack of financial resources. According to him, this upturn is a result of the priority given to sectors that bring in foreign exchange (the rest remain very depressed), the optimisation of domestic resources, the restructuring of the public sector and the effects of foreign investment. All of the above, he notes, results from a state centralism that has enabled the country's resources to be more effectively mobilised in the service of a war economy.

The rise in importance of tourism and its spin-offs is manifest. They revitalise various service industries. The craft industry has expanded and the paladares (small private restaurants) are full; Cubans are renting their flats and their cars to holiday-makers. The sugar-cane harvest has increased - albeit to a limited degree - as has the production of nickel, tobacco and citrus fruits. Such improvements are, however, unpredictable because they have been obtained through short-term loans at exorbitant rates.

The island does not have access to loans from international institutions (World Bank, International Monetary Fund), and the rise in the cost of credit as a result of the political risk is one of the most adverse effects of the Helms-Burton Act. Jean-Raphaël Dufour, the French ambassador to Havana, explains that “the banks simply close their doors. This act is a real stranglehold”.

The banks’ activities may, indeed, be likened to a form of illicit trading when their purpose is to finance sugar or tourism projects involving former US property. To these financial constraints and to the very high interest rates that are applied, must be added the foreign debt (around 10 billion dollars). There is a real risk that the economy will be crippled: the state coffers are empty.

Conflicting government reports

In spite of this situation, the foreign companies that are already established have not left. They adapt by using a variety of subterfuges in order not to incur the wrath of the American legislators. Some get rid of their signs so that their real names do not appear. Top industrialists rent rooms by the year at the Hotel Cohiba. Built recently, this establishment is not suspected of having been “confiscated”. Others are in open conflict, such as Pernod-Ricard (which now markets Havana Club rum) and the Bacardi group that used to market it as Bacardi rum. “There are lawsuits all over the place: it’s a real trade war”, comments Noël Adrian, director of Pernod-Ricard in Havana.

The Helms-Burton Act is a sword of Damocles. It is insidious and acts as a hidden power of dissuasion. The legislators do not need to seize the files; the companies are ahead of them.

Under threat from foreign constraints, Castro’s government is also faced with a further challenge: the financial burden that is being borne by an ever wearier population. The enormous efforts to mobilise all available resources are eroding the government’s social base. There is little sign of the awaited improvements in living standards. Oil imports risk being affected by the rising prices and the electricity cuts, which had become less frequent, will resume. The food situation has improved with the help of the peasant markets, finally re-established in 1994. But state subsidies (*la libreta*) are constantly being cut, leading to a considerable increase in family food budgets. Only a minority has escaped the effects of the decline in purchasing power. Pensions in pesos are pitiful and pensioners who live alone are destitute. Single mothers cannot make ends meet.

Restructuring exercises in the public sector and the rationalisation of the public administration have resulted in unemployment. According to official figures, it stands at 8%, but some economists estimate that one quarter of the working population has been affected, although this is impossible to measure accurately. Workers who have been laid off receive statutory allowances for a limited period and are then offered work in agriculture, where labour is short. Many refuse. So, legally or not, they become part of the informal economy, with all the risks that entails.

The problem is that calling on people to defend the achievements of the revolution amounts to an act of self-denial. So this is a call that is not likely to be heeded, given that the reactivation of the economy has created profound differences and great inequality. The success of such an authoritarian development policy requires a high degree of support and mobilisation. “It is true that state centralism has proved to be a very efficient instrument”, admits Patat. “It has made it possible to mobilise and re-distribute all the resources. Every investment made so far has been justified. Everything that has been done has been positive. So far they have not had to pass the Caudine Forks of the IMF.” But magic formulas will not provide for the country’s needs indefinitely. Investment is needed for the economy to kick off again. That requires medium or long-term loans, or an overdraft to pay off the interest, and the majority of the population do not benefit even from the dividend of growth.

Under Cuba's present conditions, state centralism cannot continue to guarantee growth and full employment. If companies are to be profitable in future and operate according to market rules, the establishment of small and medium-sized enterprises (SME) must be authorised as a means of increasing employment. Indeed, the social and political upheavals caused by the rise in private enterprise (heavily controlled by taxes) are already so serious that the government is merely postponing a decision that could have destabilising and unpopular consequences.

Government centralisation is authoritarian at the economic level and still more so at the ideological and political level. Faced with a social crisis, the government fears losing control of the situation. Any criticism or suggestion of an alternative solution to its policies is therefore excluded, even if it comes from the Cuban Communist Party (CPC). Since 1996 the sanctions that have been applied against the researchers from the prestigious American Studies Centre (CEA) [5], which is internationally recognised in university circles in North and Latin America, testify to this. These researchers, members of the Communist Party, embarked on a critical discussion of the economic strategy and political system. They examined the place given to the market and to the state in the economy, the role of the trade unions in face of the expansion of joint enterprise and free zones, the level of participation by the people, and the future institutionalisation of the revolution. They had written various studies of the Cuban crisis in the centre's journal *Cuadernos de Nuestra America* and in several books that are now "no longer available". Other publications of theirs have been deferred sine die. In February 1996 they organised a seminar jointly with the Spanish Foundation for Marxist Research (FIM) on "leftwing alternatives to neo-liberalism" [6].

In March 1996, at the fifth plenary session of the Central Committee, Raul Castro accused the seven members of the centre's executive board of setting up a fifth column. For seven months they had to endure the wrath of a commission appointed by the committee. After bureaucratic proceedings, the executive board was dissolved and its seven members, refusing to engage in any self-criticism, were informed of their transfer to other research centres. One of them declared: "We wish to remain affiliated with the revolution, in spite of our differences". As it is, the journal failed to appear again and the CEA was shut down.

When questioned, the party leaders play down the sanctions. For them, they were justified by the fact that the researchers' views did not coincide with those of the CPC, to which the centre was linked. Some of them privately condemn the epithets used by Raul Castro, but they stress the moderate nature of the sanctions applied, compared to the accusations made against them. The former executive members of the centre are convinced that it was their critical analysis of the various aspects of the situation (and their reputation abroad) that provoked the sanctions. The party had attempted to warn off intellectuals and artists, who had reacted strongly. The Cuban National Union of Writers and Artists (UNEAC) voiced its concern in an unpublished letter addressed to the party. And numerous intellectuals throughout Latin America protested against the attack, thereby helping to prevent harsher sanctions from being imposed.

Raul Castro's accusations can be interpreted as an attempt to prevent the slightest dispute (on the basis that any internal debate would split and therefore weaken the revolution). Similarly, the censorship imposed on the researchers was an attempt to conceal the contradictions in government statements. In fact the government's professions of loyalty to socialism can no longer be reconciled with the social and economic conditions on the island following the demise of the Soviet system. This ideological stance is hardly compatible with the emphasis on nationalism and the call for every force in the country - in particular Catholics - to unite in the country's defence.

The attitude towards the Catholic church contrasts markedly with the harsh treatment meted out to the CEA. The reception of Fidel Castro at the Vatican on 19 November 1996 and the planned visit of Pope John Paul II in January 1998 met with a considerable response. Some 40 priests and nuns came

from abroad to reinforce the pastoral presence (regarded by the episcopate as insufficient). Others are likely to follow. The various dioceses reviewed the situation and set up civic centres to discuss social problems in the light of the church's social doctrine.

The Cuban Union of the Catholic Press has just been set up to bring together the editors of the various Cuban Catholic publications. Its secretariat is made up of the directors of three journals, *Amanecer* (diocese of Santa Clara), *Palabra Nueva* (diocese of Havana) under Mgr Carlos Manuel de Cespedes, and *Vitral* (diocese of Pinar del Rio). No sooner were they distributed around the parishes than all 7,000 copies of *Palabra Nueva* were sold out. *Vitral* is running a debate about the relationship between civil society and the state, a subject that has been fashionable at *tertulias* [7] in Havana since the collapse of genuine socialism. Its columns contain a very topical critical analysis of the crisis facing Cuban society [8].

The church's other urgent requests - access to the media and religious education - are not likely to be met for the time being. With some reluctance, the government agreed that Caritas could distribute some of the European humanitarian aid at parish level. This helps to strengthen the influence of Catholicism, which is in a weak position compared to Afro-Cuban religions and in addition faces the rise of the Protestant churches. In his pursuit of international legitimacy, Fidel Castro has agreed to the much postponed visit by the Pope. As pointed out by Mgr de Cespedes, the church can help to change the international image of the government. It would like to be an intermediary, working for "national reconciliation" through its links with the North American episcopate, which has strongly condemned the embargo, unlike some Miami prelates.

Some of the bishops point to Pope John Paul II's disappointment with the direction taken by Poland and the Eastern European countries, his opposition to corruption, drugs, family breakdown and the decline in morals, and his condemnation of the ultra-liberal model. They emphasise his interest in Cuba, his wish to start a dialogue and to contribute - in the words of Mgr Tauran, the Vatican's foreign minister - to the establishment of a climate of religious freedom and trust between church and state in Cuba.

Religion as a solution

The country's leaders hope the religious revival may also help channel social tensions. "Voy a ver un babalao para que me cambie la vida" [9], the Palmas y Canas group sings on TV. An article in the journal of the CPC Central Committee concludes that, faced with so many frustrations and the feeling of insecurity caused by the crisis, "religion may provide a solution, a viable alternative. Revolutionary society is a collective undertaking in which goodwill can and must be apparent" [10].

The Cuban church believes that there will be no major upheavals so long as Fidel Castro is alive. In fear of the chaos and violence that might follow the return of the exiles, it is busy at work negotiating its autonomy for the future. The dissidents within its ranks, according to Mgr de Cespedes, are not very credible: out of 140 signatories to the Concilio cubano [11], a hundred had applied for a US visa in June 1996.

As for the armed forces, Mgr de Cespedes insists that their involvement in economic activity since their return from Angola has made them more popular. In the skilful hands of Raul Castro, demilitarisation has enabled large numbers of servicemen to be recruited into agriculture, where they are more familiar with machetes than with guns. And it is often their officers who become the managers of joint enterprises.

The Catholic hierarchy would, of course, like to see change, but without destabilising the country. "If

Cuba should collapse, what would the Americans say? *Pobrecitos* (poor things)!" exclaims Mgr de Cespedes.

P.S.

* From *Le Monde diplomatique*, English Edition, February 1997.

* Janette Habel: Researcher at the Centre de recherches sur l'Amérique latine et les Caraïbes (Crealc), IEP Aix-en-Provence, author of *Ruptures à Cuba*, Brèche-PEC, Monteuil, 1992.

Footnotes

[1] From the name of the Bacardi family, famous for rum manufacture prior to 1959. The property and plant were nationalised by the Castro government. The products were marketed by Pernod-Ricard under the Havana Club label.

[2] The act allows the US president to suspend Title III every six months, subject to certain conditions.

[3] Anti-boycott legislation that imposes penalties on US companies.

[4] In 1995, the European Union provided ECU 30 million in humanitarian and financial aid, of which ECU 26 million was allocated to humanitarian aid. In 1996, this aid amounted to only ECU 18.7 million.

[5] Janette Habel "Cuba à l'heure des grandes réformes", *Le Monde diplomatique*, November 1995.

[6] See "Alternativas de izquierda al neo-liberalismo", IMF, Madrid, 1996.

[7] *Tertulia*: informal discussion group.

[8] See José Antonio Quintana de la Cruz, "Sociedad civil, revolucion y socialismo", *Vitral*, No. 14.

[9] "I'm going to visit a *babalao* (shaman in Afro-Cuban cultures) and get him to change my life".

[10] "Las buenas voluntades pueden y deben sentirse". Juan Berges, *Cuba socialista*, No. 1.

[11] Aurelio Alonso, Julio Carranza, Haroldo Dilla, Rafael Hernandez, Pedro Monréal, Luis Suarez, Juan Valds. Other researchers, such as Fernando Martinez Heredia have already requested their transfer. [[Dissident gatherings at national assemblies were banned in February 1996.