

## **Square Dance Diplomacy:**

### **Cuba and CARIFORUM, the European Union and the United States**

Jessica Byron\*

Following the collapse of its trade and economic cooperation with the COMECON Bloc in 1991, Cuba's diplomatic priorities in the 1990s have been the reintegration into Latin America and the Caribbean, and the forging of a new economic and political relationship with Western Europe in the context of the continuing U.S. embargo. Despite setbacks occasioned by developments like the U.S. Helms-Burton Bill of 1996, the strategy has been relatively successful. This is evidenced by the fact that 30 per cent of Cuba's trade now takes place with each of those geographical entities, compared to 8 per cent with Europe and 5 per cent with Latin America and the Caribbean a decade ago.<sup>1</sup> Cuba also has much stronger bilateral and multilateral links with Latin America and with Europe.

Since 1997, these two aspects of Cuban diplomacy have begun to converge, helped along by the rapid evolution of the European Union's development cooperation policy towards the Caribbean and Cuba's search for new options after the impasse reached in the Cuba-European Union (EU) dialogue in 1996. The first part of the article therefore examines Cuba's relations with the European Union and with its member states in the present decade. Emphasis is put upon the role that the United States has played as an ever-present hegemon in influencing the policies and actions of its Western allies towards states in the Caribbean Basin. That discussion leads, in the latter part of the article, to the examination of Cuba's growing ties with CARIFORUM countries and its participation as a CARIFORUM/ACP observer in the post-Lomé negotiations between the European Union and the ACP group of countries. The paper concludes that CARIFORUM member states have considerable stakes in Cuba's incorporation into the ACP at the present time. However, although the Cubans have a stake in the process, Lomé accession may ultimately not be their preferred option for a relationship with the EU. The outcome of the current developments will depend on several external factors over which neither Cuba nor the Caribbean countries exercise much control, and also on the pace at which Caribbean integration advances over the next two or three years.

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## **Cuban-European Relations 1960 – 1990: An Overview**

Alistair Hennessy points to the dearth of literature on Cuba's relations with Western Europe during the past thirty years, and in particular the failure to record the extent and the importance of the commercial transactions that were taking place.<sup>2</sup> This was largely due to the sensitivity of such information in light of Cuban-American relations and the US-imposed embargo. Nonetheless, during the 1960s in particular, trade links with Europe played a vital role in helping Cuba to cope with the problems of appropriate technology and industrial supplies caused by the economic embargo.

A review of the 1960s and 1970s indicates that Cuba's relations with Western Europe were governed primarily by commercial interests and the availability of hard currency with which to conduct transactions. In both decades, there was a wide gap between the ideological positions and international political objectives of Western European governments and Cuba. Nonetheless, they engaged in a significant amount of economic exchange. The interests of European commercial actors fuelled their trading relationship, irrespective of bipolar politics and U.S. efforts to enforce its embargo against Cuba.

Various types of official attitudes underpinned the economic transactions. For Britain and France, two principal European trading partners, commercial pragmatism, as well as their traditional political and strategic interests in the Caribbean region helped to shape their engagement with Cuba. In the case of Spain, a complex blend of political, historical, sociological and economic factors influenced a relationship that was closer, yet subject to many more tensions than in the case of Cuba's links with other European actors. Spain's special relationship with Cuba that existed during and after the Franco era was governed primarily by colonial history and by the large numbers of Spanish nationals resident in Cuba. In addition, Cuba became one of Spain's most important Latin American markets at a time when the Spanish economy was seeking outlets for new industrial products.<sup>3</sup>

The 1970s, in particular, were a high point in Cuban-European trading relations, mainly due to Cuba's economic growth and hard currency earnings from high world sugar prices at that time. Trade with Western Europe came to represent 21 per cent of Cuba's total foreign trade, as opposed to 15 per cent during the 1960s. Cuba also had growing access to European trade credits and loans during the mid to late 1970s and its Western debt rose significantly.<sup>4</sup> It should be noted that Cuba's trade with Western Europe and other market economies during this period was greatly boosted by the decision taken by the Ford administration in the United States, in 1975, to allow U.S. subsidiaries in third countries to trade with Cuba.<sup>5</sup> Efforts were made by the United States to tighten the embargo again in the late 1970s in response to Cuban military involvement in Africa.

In contrast to the 1970s, the following decade witnessed a marked contraction in Cuba's European trade flows. There were major changes in the prices and market access for its chief commodity exports. World sugar prices had fallen dramatically since 1975, and its sugar markets in Western Europe, with the exception of Switzerland, were disappearing. Also, between 1981 and 1984, the United States prevailed upon France, Italy, West Germany and the Netherlands to guarantee that their stainless steel exports contained no Cuban nickel.

Both circumstances considerably reduced Cuba's foreign exchange earnings and ability to import. Nonetheless, EC countries and Switzerland continued to be significant suppliers of vital inputs into Cuba's key productive sectors.

As a result of its reduced hard currency earnings, high interest rates and a domestic recession during the mid-1980s, Cuba began to experience growing problems in meeting its debt repayment obligations. After an initial renegotiation of the terms in 1982, followed by intensive discussions in 1985 and 1986, the government finally suspended long term debt repayments in 1986.<sup>6</sup> By 1989, trade with Western Europe had fallen to only 8.5 per cent of Cuba's total foreign trade.

### **The Collapse of the Socialist Bloc: Its Impact on Cuban-European Relations**

As the 1980s drew to a close, Cuba had already begun to place renewed emphasis on developing closer relations with Latin America and Western Europe. There was uncertainty about the long term stability of its political and economic relations with the Soviet Union. Likewise, relations between the entire Soviet bloc and the European Community were entering a new phase. After the establishment of official relations between the Community and the Council for Mutual Economic Assistance, Cuba opened diplomatic relations with the EC in September 1988.

This was shortly before the start of the roller coaster disruptions and eventual eclipse of its trade and economic cooperation system with the Soviet Union and the Eastern Bloc countries between 1989 and 1991. Those events precipitated the worst economic crisis in Cuban history, during which time overall domestic production and trade shrank to about 25 per cent of 1988 levels.

Since 1990, despite continuing difficulties over debt negotiations with European creditors, there has been a steady increase in economic cooperation and political dialogue with the European Union and with individual member states, as well as growing involvement of European firms in the Cuban economy. The Cuban administration evidently regards its links with Western Europe as a vital dimension of its efforts to reorient and reconstruct its economic relations in the post Cold War era. In contrast to 1989, Western Europe now accounts for over 30 per cent of Cuba's foreign trade. Likewise, Spain, France, Britain and Italy are among the leading five foreign investors in the Cuban economy.<sup>7</sup>

Relations with the EU in the present period have been conditioned by several factors. The unresolved debt issue and the limited availability of trade credits, Cuba's severe shortage of hard currency and the slow process of regenerating a productive export sector have all placed constraints on the expansion of trade.

Another key factor has been the pace of the transformation taking place in Cuba and the mixed policy responses of the EU and its member states to it. Despite the Cuban government's great interest in intensifying its relations with Europe, it remains adamant that the process of political and economic change should be decided on internally, rather than externally dictated. Some observers suggest, moreover, that Cuba and the EU have different perceptions and

interpretations of democracy and human rights issues.<sup>8</sup> Cuba's bilateral relations with a few EU member states have been significant in driving the multilateral process of dialogue. However, a major impediment has been the U.S. move to tighten its embargo against Cuba, and enforce it extraterritorially through the Helms-Burton Cuban Liberty and Democratic Solidarity Act, which became law in March 1996.

After ten years of sustained interaction with the European Union, Cuba remains the only country in Latin America with whom the former has not concluded a formal economic cooperation agreement. Despite this anomaly, relations have not been static. Four different phases in their relationship during the past decade can be identified, namely the initial stage from 1990 to 1993, the 1993 – 1996 phase of deepening dialogue and cooperation, a short interlude of stagnation in 1996 – 1997 and the present Lomé observer phase which began at the end of 1997. Throughout these phases, three sets of EU actors have been involved in furthering the relationship with Cuba. EU business interests and specific member states have always been in the vanguard. They featured prominently in the initial phase of relations and after the suspension of the official dialogue in 1996. The third actor, the European Commission, sought more reactively to fashion a common policy that complemented member state initiatives, remained in line with general objectives of development cooperation, and did not bring the EU into direct conflict with the US over Cuba.

### **European Private Sector Operations in Cuba**

Since 1989, there has been tremendous growth in European investment in various sectors of the Cuban economy. There are now some 340 joint ventures in Cuba, a large percentage of which involve European business interests.<sup>9</sup> Cuba began to actively seek greater Western investment, initially in the tourism sector, in the second half of the 1980s under the Foreign Investment Law of 1982. The terms of this law were applied with increasing flexibility on issues such as foreign ownership, repatriation of profits and labour policies. Joint ventures only really gained momentum, however, from 1991 onwards. They were further stimulated by the passage of more liberal foreign investment legislation in September 1995, that permits 100 per cent foreign ownership in all sectors of the economy except health, education and defence, and commits Cuba to honour international norms and agreements.<sup>10</sup> Additionally, since 1993 Cuba has signed Bilateral Investment Protection Treaties with several EU member states, including Britain, Germany, Spain, Italy, France and the Netherlands. Air services agreements have also been concluded which have expanded the transportation network for the tourist industry.

Within this framework, European companies have deepened their involvement in a number of sectors of the Cuban economy. Tourism heads the list, with considerable investment from Spain, Italy, France and Germany in the areas of construction, management contracts, cruiselines and tour operations.

European companies have also been playing a vital role in the retooling and rehabilitation of Cuban export and domestic agriculture.<sup>11</sup> Likewise, French and British companies were among the first to begin oil prospecting in Cuba, while British, French and Dutch business and financial interests have invested

in the nickel industry. Other companies, including Unilever and Mercedes Benz, have embarked on joint ventures in manufacturing. Finally, Swedish pharmaceutical interests were among Cuba's earliest collaborators in the research and development which led to the rapid growth of the pharmaceutical and bio-technology sector, now a promising foreign exchange earner. In 1998-99, there have been signs of interest in this sector from British companies.<sup>12</sup>

Likewise, European actors feature prominently in the development of banking in Cuba. At least 50 per cent of the foreign banks which have opened representative offices in Havana are European.<sup>13</sup> Other service areas which have attracted the interest of European firms include the telecommunications sector, real estate and construction.<sup>14</sup>

Almost all of this activity has taken place since 1991, in the phase of wide-ranging economic reforms in Cuba. The administration has liberalized the foreign investment conditions, made conditions of employment more flexible, legalized the circulation of U.S. dollars, and allowed private enterprise in a growing number of service areas and professions, and in agriculture. It has made strenuous efforts, within the existing constraints, to diversify the economy and to integrate Cuba into the global market economy.

European investors have responded with interest to these changes, and have become deeply involved in the economic transition in Cuba. They appear convinced of the irreversibility of the liberalization process and the legal guarantees contained in the bilateral investment treaties. Their perceptions seem based both on their long history of transactions with Cuba and a favourable assessment of the country's natural and human resources. Up until now, the major concern of many commercial actors has seemed to be not so much the political risk of Cuba's transition period, but the challenge of consolidating a competitive position before the eventual normalization of Cuban-US relations and an influx of U.S. capital and entrepreneurs.

Therefore these actors were among the major targets of the 1996 U.S. Helms-Burton Bill.<sup>15</sup> titles III and IV of which aim to apply legal and immigration sanctions extraterritorially against foreign firms investing in Cuba in 'trafficked assets'. As in the past, foreign business interests have found that the dynamics of US-Cuban relations have a direct impact on their opportunities for involvement in Cuba.

In the end, as a result of antidote legislation by several EU governments, coupled with strenuous negotiations between US and EU officials, Chapters III and IV of the Helms-Burton legislation have never been brought into force against European companies. However, the uncertainty created by the passage of Helms-Burton affected the pace of European investment in Cuba between 1996 and 1998. Some of the greatest damage was caused in the sugar sector by the cancellation of credit lines extended in 1995-96 and the subsequent difficulty in finding other sources of credit. The Cubans conceded in 1997 that their foreign investment target had fallen short by some 13 per cent and the original projected growth target of 5 per cent for that year had fallen to 2.5 per cent. In 1998, it dropped even lower to 1.2 per cent.<sup>16</sup> Many analysts concluded that the Helms-Burton legislation had served not so much to chase investors who had already acquired assets in Cuba, but to deter, or at least to slow down potential ones, put off by the climate of uncertainty.<sup>17</sup>

## Bilateral Relations with EU Member States

In general, EU member states have followed the direction set by their business sectors in focusing primarily on trade and investment relations with Cuba. Nonetheless, the bilateral policies pursued by certain member states have significantly influenced the development of a multilateral EU policy towards Cuba with an explicit political dimension.

Four of the large EU member states provide a representative cross-section of the nuances in official policies towards Cuba. Spain is undoubtedly the country with closest relations and the most highly developed channels of communication with various groups in Cuban society. France also, in the final days of the Mitterand presidency, emerged as an important intermediary with the Cuban administration on the issue of human rights and political prisoners. Both countries have advanced the dialogue between the EU and Cuba, and have played a major role in setting the pace and direction of recent EU policy towards the island. This process was set in motion by Socialist governments in both France and Spain. In the latter, however, the change of government in early 1996 to the *Partido Popular* ushered in marked shifts in policy towards Cuba.<sup>18</sup> Since 1995, the British government has played a more active role, and, despite Germany's original minimal engagement, there are indications of interest in widening the scope of its relationship with Cuba.

### *Spain*

Under the former Socialist administration, Spain was Cuba's leading European political and economic partner in the 1980s and early 1990s, providing economic assistance, trade credits and investment flows, and lobbying within the European Council of Ministers for the conclusion of a formal agreement of cooperation between the EU and Cuba. In fact it was during the Spanish Presidency in 1995 that the decision was taken to begin dialogue with a view to concluding such an agreement.<sup>19</sup> Spain also, in 1993-94, facilitated meetings in Madrid between Cuban officials and representatives of the IMF.<sup>20</sup> Finally, the Spanish government, working together with Latin American governments, and through the medium of the Socialist International, also worked to reintegrate Cuba into hemispheric affairs via the Ibero-American Summits.

Nonetheless, there have been periodic tensions in the relationship. Since the mid-1980s, Spain's Latin American policies have emphasized support for the construction of democratic processes.<sup>21</sup> From 1990 onwards, this became the most sensitive area of Spanish-Cuban relations, provoking a crisis in bilateral relations in July of that year, when the Spanish embassy in Havana was occupied by Cuban asylum-seekers.<sup>22</sup> It caused the Spanish opposition, notably the *Partido Popular* (PP), to call for a break in diplomatic relations with Cuba that left residual tensions.

In March 1996, the more conservative PP took office in Madrid. There were soon signs of changes in policy towards Cuba, as the government announced in June the suspension of official aid to the island.<sup>23</sup> It also reversed Spain's previous support for an early conclusion of an EU-Cuban cooperation agreement, arguing that Cuba should first make more political concessions.<sup>24</sup> Relations between the two countries plummeted sharply during the latter part of 1996. In

November the Aznar government proposed a hard line draft common policy on Cuba to the EU Council of Ministers that would have made EU aid and economic cooperation contingent on meeting detailed stipulations on legal and political reforms in addition to there being close supervision of NGO recipients of aid and the placement of staff in each embassy to maintain high-level contact with opposition elements in Cuba.<sup>25</sup>

However, the Aznar government found itself caught in a quandary that would cause it to progressively moderate its initial position on Cuba. Its relationship with the United States on Cuba became an embarrassing two-edged sword. Although there was some convergence on political conditionalities, the passage of the Helms-Burton Bill in 1996 had direct and damaging consequences for Spanish commercial interests, given that Spain was one of Cuba's two leading foreign commercial partners. The new Spanish position therefore provoked considerable domestic criticism<sup>26</sup> and the government found itself under growing internal pressure to protect Spanish business interests in Cuba from threatened U.S. legal action.<sup>27</sup> Moreover, the Spanish position attracted limited support within the European Union, even against the complex backdrop of EU-US relations. The EU common position that was finally adopted on 2 December 1996 was considerably toned down by the interventions of member states like France and the Irish presidency.

Ultimately, Cuba has made few of the original concessions sought by the PP government. However, relations between the two countries were progressively normalized by 1998, with exchange visits by their Foreign Ministers and the invitation to the Spanish monarch to visit Havana in 1999.<sup>28</sup> With recent agreements on debt-equity conversion and the elimination of double taxation on bilateral trade,<sup>29</sup> Spain remains one of Cuba's most valuable trade and investment partners.

### *France*

Franco-Cuban relations assumed a more prominent political focus in March 1995, when President Castro visited Paris at the invitation of President Mitterrand. He addressed the National Assembly and a forum of 300 business leaders and, even more significantly, agreed to allow a visit of human rights NGOs to Cuba. This resulted in a human rights mission to Cuba in April 1995, which included representatives of France-Libertes, Medecins du Monde, Human Rights Watch/Americas and the International Federation of Human Rights Leagues. They interviewed several political prisoners and made proposals to the Cuban authorities to continue working in Cuba, in collaboration with the government. While the delegation's report was critical of the prison sentences and conditions of imprisonment, it noted that there was no evidence of physical ill-treatment of the prisoners.<sup>30</sup> Following the visit, six political prisoners were released, including two prominent dissidents and human rights activists.

This sequence of events, stimulated by the French initiative, was viewed as a very favourable advance in EU-Cuban relations. Subsequent French administrations have not taken similar political initiatives but the Franco-Cuban relationship has acquired a new significance in the context of Cuba's current status as an ACP-CARIFORUM observer. Moreover, France adopted a strong stance against the passage of the Helms-Burton Bill. It prepared countervail-

ing legislation and business continued as usual with Cuba and France signing an investment promotion and protection agreement in April 1997.<sup>31</sup> Franco-Cuban trade and investment rose significantly in 1997 and 1998.<sup>32</sup>

### *Britain and Germany*

Cuba's political and economic relations with Britain made significant advances in the 1990s. Much of this activity was spearheaded by the Cuba Initiative, established in 1995 after the first visit by a British minister to Cuba in 20 years.<sup>33</sup> It entails a British steering group jointly comprising government departments, private sector and NGO representatives, and a counterpart body in Cuba. There have been a number of high level visits and business delegations sent by each side, including a visit of Cuban parliamentarians to Britain in April 1999.

Early in 1995, the two countries signed an investment promotion and protection agreement. This was rapidly followed up by an agreement between the Cuban government and the Commonwealth Development Corporation (CDC) on CDC investments in development projects in Cuba, in the areas of tourism, agriculture and agro-processing.<sup>34</sup> Like France, the British government took countervailing measures to the Helms-Burton Bill through its 1980 Protection of Trading Interest Act.<sup>35</sup> Major advances in 1999 include the formulation of a new British export credit guarantee programme to Cuba which has proceeded in tandem with negotiations over the repayment and rescheduling of Havana's short term debt to the Export Credit Guarantee Department. Likewise, the British Council was scheduled to open an office in Cuba in April 1999.<sup>36</sup>

The EU's largest state, Germany, has also modified its policy towards Cuba since the beginning of the decade, mainly in response to perceptions of Cuban economic reforms and business opportunities. Shortly after the passing of the Helms-Burton legislation, Germany proceeded to sign a bilateral investment treaty with Cuba. The German Junior Minister for the Economy, at the signing ceremony in Havana, was careful to point out that Germany 'shared with the U.S. similar ideas about democracy, human rights and the importance of the market economy.' However, they were very much opposed to U.S. unilateral extraterritorial measures that hurt the interests of overseas investors.<sup>37</sup> He indicated that German companies would continue their growing involvement in Cuba and this has materialized, mainly but not exclusively in the tourism sector.

This overview shows the considerable extent to which individual member state policy has either speeded up or slowed down the development of EU relations with Cuba. The focus was on the EU actors which have had the most extensive political and commercial relationships with Cuba.<sup>38</sup> The survey demonstrates the current widening gap between flourishing bilateral commercial relations and restricted political and institutional links at the multilateral level.<sup>39</sup> Such nuances permit the EU members to reconcile contradictions between multilateral policy and unilateral action, and between their own interests and those of the United States. However, the arrangement only partially meets the Cuban interest in forging a new framework of political and economic relations that will make it a full and legitimate participant in the institutions of the post-Cold War international community.



## **Towards an Agreement with the EU**

Cuba's official interaction with the European Union intensified in 1993, in response to the developments in bilateral trade, the economic transformation taking place in Cuba, and the considerable suffering of the population during the post-Soviet economic collapse. Both the European Parliament and the European Council in 1993 endorsed the need to develop closer cooperation with Cuba, and to encourage greater economic reform.<sup>40</sup>

In that year the Commission launched a programme of humanitarian aid aimed at reducing the effects of the economic crisis on the most vulnerable sectors of Cuban society. The assistance was chiefly in the areas of medical and nutritional supplements, and some disaster relief. It was administered by the European Commission Humanitarian Office (ECHO), and delivered through European NGOs.

The funding allocated to the ECHO programme increased rapidly from 8 million ECUs in 1993 to 15 million by 1995. Cuba received by far the largest allocation of humanitarian assistance in Latin America but there were specific guidelines for its delivery. It was totally managed by NGOs whose local counterparts were Cuban NGOs and communities. An underlying political objective was clearly to strengthen NGOs and civil society in Cuba.<sup>41</sup>

In 1994, the morale of sectors of the Cuban population reached its lowest point. This was evidenced by the massive exodus, in August and September, of asylum seekers in rafts to the United States and various Caribbean destinations. In response, the European Parliament passed a Resolution in September, which not only stated its view of the need for change in Cuba and the danger of social upheaval, but urged the EU to include Cuba in its regional cooperation programmes, and move towards a framework cooperation agreement. By 1995, there was a consensual EU policy on Cuba, expressed by the EU Presidency in October:

The EU would like Cuba to have a peaceful transition to democracy and respect for human rights. It takes the view that maintaining the political dialogue and encouraging economic relations are the means most suited to promote evolution towards democracy and Cuba's return to the international community.<sup>42</sup>

The political dialogue started by the French presidency was forcefully carried forward under the Spanish presidency in the latter half of 1995, when an EU Troika, composed of representatives from France, Spain and Italy visited Cuba from 6-10 November. The Troika met with Cuban government officials, with the head of the Catholic Church in Cuba and with political dissidents.

The Troika's report to the European Council of Ministers was quite favourable concerning the progress of economic reforms in Cuba. Likewise it noted human rights improvements in areas like the ratification of the United Nations Convention against Torture, entry permission to human rights NGOs and to the U.N. High Commissioner for Human Rights, the lifting of restrictions on the churches and the freeing of political prisoners without obliging them to leave the country. The incidence of intimidation had fallen and there were no tortures or disappearances. However, the Troika also called on the Cuban au-

thorities to take further action on reforming the Penal Code and civil law, the practice of preventive political detention, according legal recognition to associations and allowing greater freedom of expression. They expressed the opinion that in the short term, positive initiatives on reforming the Penal Code and on normalizing relations with Cuban exiles could take place.<sup>43</sup>

Shortly after the troika's visit, the EU Summit in Madrid in December 1995 concluded that:

Dialogue and cooperation should be continued with Cuba in order to lend active support to the process of reform under way, to foster respect for human rights and fundamental freedoms and to broaden the scope of private initiative and the development of civil society. To that end, it asks the Commission to present, in the first half of 1996, draft negotiating directives for a trade and economic cooperation agreement, which will be examined by the Council in the light of developments in the political and economic situation in Cuba.<sup>44</sup>

For its part, the Cuban state gave mixed responses. There were strong indications of a desire to advance the dialogue and great interest in an initial framework agreement, leading ultimately to a full *economic* cooperation agreement, that would bring Cuba in line with normal EU relations with Latin America.<sup>45</sup> However, on a number of occasions high-ranking Cuban officials also indicated their unwillingness to be forced into precipitate political concessions by external forces.<sup>46</sup>

In 1996, however, the progress towards a formal agreement slowed, and indeed went into reverse, influenced by a number of adverse political developments. In February 1996, the EU Commissioner for Latin American Affairs visited Cuba. He left without receiving the undertakings that he apparently sought from the Cuban government on reforms to the Penal Code that would permit the development of political opposition, and measures to expand the private sector.<sup>47</sup> Also in February, the escalation of exile flights over Cuba led to the Cuban authorities' shooting down two planes, piloted by an exile group. The incident, which was widely condemned, provoked considerable hostility from the United States and paved the way for the draft Helms-Burton legislation to be approved in March, with potential negative consequences for European business operations in Cuba.

Its passage ushered in a new phase in Cuban-EU relations, in which the influence of the United States behind the scenes became more pronounced, and in which EU negotiations with the United States over the application of the Helms Burton legislation became tacitly linked to the formalization of EU relations with Cuba. Soon after Commissioner Marin's May 1996 announcement of the suspension of the negotiating mandate for a Cooperation Agreement with Cuba, the European Council, meeting in Florence in June made a non-committal statement about continuing dialogue.<sup>48</sup> This was followed by a more definite statement of a common position in December 1996.

The latter agreed to intensify dialogue with the Cuban authorities with a view to promoting human rights and pluralist democracy; to encourage the reform of internal legislation on civil and political rights including the penal code; to evaluate developments in Cuban internal and foreign policies *accord-*

ing to the same standards that apply to EU relations with other countries, in particular the ratification and observance of international human rights conventions; to provide humanitarian aid as before and to carry out focused economic cooperation in support of the economic opening in Cuba.<sup>49</sup> Relations with Cuba have since been evaluated on a six-monthly basis with no major changes in EU policy taking place.<sup>50</sup>

To a large extent, the EU-US Helms-Burton dispute has been a test case in the definition of the rules governing relations among leading Western allies in the post-Cold War world order. It represented a U.S. bid to re-establish maximum levels of hegemony in international economic relations and link them closely to issues of security and political interest. This could be concluded from the parallel D'Amato-Kennedy legislation which applied to investments in Iran and Libya, categorized by the United States as 'terrorist states'.<sup>51</sup> The EU viewed both bills as inimical attempts to control its sovereignty over commercial policy.

It was in this context that both the Union and individual member states strongly condemned the Helms-Burton law itself and resisted its application against European interests. In April 1996 the EU brought a formal complaint before the World Trade Organization (WTO) on the legality of the extraterritorial implications of the Helms-Burton Bill and in February 1997, a WTO panel was constituted to examine the law. In November 1996, the EU passed its own countervailing legislation which prohibits EU companies from complying with the Act and provides for compensation to be sought from US companies operating in Europe.<sup>52</sup>

Both the US legislation and the EU's internal and international responses represented opening moves in complex negotiations on trade policy that would continue until June 1998. During the course of this exercise, the US sought to use the threat of Helms-Burton sanctions to get compliance from the EU, while the latter sought to use both the threat of retaliatory action and the WTO to push the US into concessions. It became increasingly clear that it would be impossible to get the entire Helms-Burton law rescinded in the current US political climate.<sup>53</sup> The EU concentrated its efforts, therefore, on obtaining waivers on the application of Titles III and IV of the Act against European companies.

Ultimately, both sides showed a reluctance to stage a full-scale commercial conflict over Cuba that might damage the newly created World Trade Organization as well as their own economic interests. The stakes were not high enough for either party. Thus, the U.S. conceded ground by continuing to roll over waivers to Titles III and IV of Helms-Burton from 1996 to the present. The EU agreed to drop the WTO panel proceedings with the proviso that they would be reconstituted if it was not eventually granted permanent exemptions from the application of the Helms-Burton legislative provisions.

One may conclude that, despite some modifications to its original objective, the US scored an overall victory with the outline agreement that was concluded with the EU in May 1998. EU member states would thereby agree to accept disciplines to deter their companies from investing in property formerly owned by US interests. The EU governments would participate in compiling the lists of such properties and would withdraw subsidies and tax concessions for such investors.<sup>54</sup> The US President committed himself only to seeking a relaxation

of the provisions of the Helms-Burton Bill, which remains firmly in place on the statute books, subject only to political actions such as the waivers which the US Executive has used up to now.

The more things changed, the more they stayed the same. To the disappointment of the Cuban government and other parties, the extraterritorial aspects of the Helms-Burton law were never fully examined in the multilateral forum of the WTO, but subjected only to a private settlement between two of the world's most powerful economic actors. The legislation remained as a powerful instrument of control over most commercial actors, while the EU and the US agreed to disagree on Cuba, to set limits on their actions towards each other but not to have a major trade policy confrontation over their relations with an island located so centrally in the U.S. geopolitical sphere of influence.

### **Cuba, the Caribbean and the ACP**

The EU decision in 1996 to suspend negotiations on a cooperation agreement was seen in many quarters as a serious setback for Cuban diplomacy, given the growing involvement of EU actors in the Cuban economy and the significance of having a well-established relationship with the European Union in the absence of such with the United States. The impasse in negotiations at that time was somewhat predictable, however, given the attitude of the United States *and* the evolution of the EU's general policy framework and guidelines for its development cooperation with various parts of the world, including Latin America and the Caribbean.

The guidelines have undergone considerable rethinking in the 1990s. Greater emphasis has been placed on respect for human rights and on 'democratic practices' (subject to various interpretations), as the basis for formal cooperation agreements.<sup>55</sup> The EU has a tradition of supporting the consolidation of representative parliamentary government, evidenced in its relations with the Southern Cone and Central American countries in the 1980s and 1990s. In Latin America, the EU has been seen as a major power that counterbalances the influence of the United States, supporting the objectives of a global market economy and Western democratic values, yet encouraging peaceful political change through dialogue and economic cooperation. This is the policy regime within which one can expect closer political relations between Cuba and the EU to develop, rather than a *sui generis* approach. The events of 1996 demonstrated once more the challenges faced by the Cuban state as it seeks full integration into a Neoliberal global economy and society, but on its own terms of maintaining control over the pace and the extent of internal change.

Cuban analysts gave mixed responses to the diplomatic impasse of 1996. Some pointed out the tremendous advances that had been made in trade and investment relations with Europe, arguing that continuity in this area would generate the dynamic for improved political relations.<sup>56</sup> There were others who keenly observed the types of agreements the EU was concluding with other Socialist countries like Vietnam as well as the general trend of EU relations with Latin America and the Caribbean, and Cuba's place within this framework. They may have concluded that a different yardstick, with tougher conditionalities, was likely to be applied to Cuba in the event of an individual coun-

try agreement. Moreover, they noted the apparent preference of the EU for multilateral cooperation agreements and the possible advantages for Cuban exports of the market access arrangements contained in the EU's agreements with the Central American and Andean countries and with the ACP, if Cuba were to accede to such agreements.<sup>57</sup> Ultimately, Cuba appears to have opted for a two-track strategy of continuing its earlier bilateral and multilateral contacts with European actors, but actively seeking to associate itself with the ACP grouping as a Caribbean state with excellent relations with the CARIFORUM countries.

The first indication of Cuban interest in the Lomé Convention came at the 1997 CARICOM Summit in Jamaica, at which future EU-ACP relations featured prominently on the agenda. It was attended by both the EU Commissioner for Development Cooperation and the Cuban Minister for Foreign Trade. This was followed by Cuba's hosting of the 8th Europe-Caribbean Conference of the Caribbean Council for Europe (CCE) in December 1997. Strong support for a Cuban presence in the ACP group was voiced at that meeting by both the Prime Minister of Barbados and the CARICOM Chief Negotiator.<sup>58</sup> Finally, in June 1998, the EU Foreign Ministers agreed to Cuba's request for observer status in the ACP-EU negotiations on a successor agreement to Lomé IV, noting however, that Cuba's accession to the agreement would be contingent on further progress in the areas of human rights, good governance and political freedom.<sup>59</sup> During the course of 1998, therefore, Cuba began to participate in all CARIFORUM consultations, including the Summit in Santo Domingo in August 1998, which was attended by President Castro. The Statement of Santo Domingo issued at the conclusion of that meeting, 'looked forward to Cuba's full membership and eventual participation in the arrangement to succeed the fourth Lomé Convention.'<sup>60</sup>

Cuba's partial integration into the CARIFORUM group marked the convergence in its two principal diplomatic strategies pursued since 1990 – the focus on improving relations with Latin America and the Caribbean, and the focus on relations with Western Europe. Michael Erisman points out that this move was consistent with Cuba's long-standing foreign policy strategy of seeking developmental coalitions with industrialized countries or blocs, combined with South-South alliances with other developing countries.<sup>61</sup> In the post-Cold War context, the Western Hemisphere and Western Europe had come to replace the COMECON and Non-Aligned Groups in political and economic significance.

Within the Western Hemisphere, particular emphasis had been placed, with considerable success, on strengthening links with countries in the Caribbean Basin. Thus, in 1994, Cuba became a founding member of the Association of Caribbean States (ACS), by 1998 diplomatic relations had been re-established with all the insular Caribbean countries and there were diplomatic or consular links with all the Central American states except El Salvador. In addition, after Hurricane Mitch in late 1998, good neighbourly ties with Central America were greatly strengthened by the despatch of Cuban medical teams to the area and Cuba's cancellation of US\$50 million of debt owed to it by Central American countries. Relations with Mexico, Venezuela and Colombia had been well established for some time.

If the ACS had rapidly become a viable and vibrant grouping, it may have

been the preferred Caribbean space within which Cuba might have sought to forge relations with the EU on the basis of a multilateral coalition. The ACS is a potential trade bloc with a population of 216 million and a combined GDP of US\$506 billion.<sup>62</sup> It embraces all the independent states and most of the European dependencies in the Caribbean Basin. It encompasses Cuba's political and economic relationships with both the Anglophone and the Hispanic Caribbean and would have considerable bargaining power and leverage, were it to emerge as a cohesive bloc.<sup>63</sup> However, by 1998, the ACS seemed overwhelmed by the heterogeneous interests and alliances of its members and by scarce resources. Many of its members, including Cuba, appeared cautious about its short-term prospects and ready to hedge their bets by negotiating alternative bilateral or multilateral economic cooperation agreements within the region.<sup>64</sup>

In the absence of such arrangements, Cuba's relations with the English-speaking Caribbean on the political plane developed more rapidly than those with many other countries in the sub-region. Between 1997 and 1999, at least five CARICOM heads of government had visited Havana and President Castro had paid visits to Jamaica, Barbados and Grenada. Cuban professionals were working in many CARICOM countries on the basis of government-to-government contracts and there were several bilateral cooperation agreements in addition to the Cuba-CARICOM Joint Commission, established in 1993. Large numbers of CARICOM nationals were studying in Cuba on scholarships from the Cuban government.<sup>65</sup>

Since 1990, CARICOM countries have lent their diplomatic support to Cuba in the United Nations human rights fora, in inter-American meetings where they have consistently condemned Cuba's isolation, in sub-regional fora like the ACS, and finally, they fully supported Cuba's participation in the ACP Group and CARIFORUM.<sup>66</sup> President Castro recently described CARICOM countries as being 'in the vanguard of the opposition to the US political and economic blockade on Cuba.... They have been firm. They have been faithful.'<sup>67</sup>

Cuba's recent diplomatic focus on the Caribbean region attests to the value of this political alliance, despite the small size and limited economic capabilities of the countries concerned. In addition to CARICOM's support within the Western Hemisphere, the CARIFORUM grouping is the most promising gateway at this time to a multilateral agreement with the EU. The ACP grouping has four main attractions for Cuba. There are the trade preferences and development assistance contained in the Lomé Convention, which is still (for a very limited period) near the top of the 'pyramid of privilege' in the EU's development cooperation relationships. Cuba also enjoys good relations not only with the Caribbean countries but with many African members of the ACP, and so would gain access to a wider constituency of support. There would be additional opportunities for political dialogue, including on the vexed questions of human rights, democracy and good governance. Different interpretations and perspectives on the latter theme have engendered heated debate between the EU and the ACP during the post-Lomé negotiations. Finally, sustained interaction within CARIFORUM might enable Cuba to make progress in other aspects of its political and economic relations in the Caribbean area. In the past, accession to the Lomé Convention advanced the integration of Haiti and the Dominican Republic with the rest of the Caribbean.

It can be argued that the CARICOM states have just as much to gain as Cuba from this alliance. In the post-Cold War order, their relations with both Europe and the Americas are changing profoundly. They face the imperatives of hemispheric integration and of drastic economic restructuring to attain regional and global competitiveness. The EU's foreign policy priorities have focused on the nearby countries of East and Central Europe and the Mediterranean, the multifaceted relationship with the US, and the challenge of maintaining competitiveness in the global market. In Latin America and the Caribbean, the EU's concerns include the rationalization of the different sub-regional arrangements that separate ACP member countries from the rest of Latin America, and the reconciliation of its non-reciprocal, preferential trade arrangements with the WTO regime. CARIFORUM states have feared marginalization within the ACP by virtue of their small size, non-LLDC status and geographic distance from Europe; they have feared marginalization within Latin America where the major part of the EU's trade and investment flows are with the MERCOSUR countries, Chile and Mexico. Moreover, in the post-Lomé negotiations which began in September 1998, the EU negotiating brief includes proposals for free trade agreements with ACP sub-regions after 2005 (Regional Economic Partnership Agreements – REPAs), and a greater stress on political conditionalities and poverty reduction in development cooperation.<sup>68</sup>

It is in this context that Cuba's incorporation into CARIFORUM has assumed great significance. Cuba's presence gives added value to the entire CARIFORUM, and reduces the threat of marginalization, given the extent of EU commercial and political interest in the island. Closer relations with Cuba may also assist the CARICOM countries' task of further integration with Latin America. Finally, CARICOM negotiators acknowledge the significant boost that Cuban participation has provided to their research, analysis and negotiating capacity, not only with the EU but with other ACP actors also.<sup>69</sup>

Nonetheless, despite the marked improvement in Cuban-Caribbean relations since 1993, critics still point to a surplus of political rhetoric, coupled with shortcomings in the pace of concrete economic integration. Although the CARICOM/Cuba Commission was established in 1993, neither Cuba's interest in CARICOM membership nor its proposal for a partial scope free trade agreement with CARICOM have progressed significantly.<sup>70</sup> CARICOM countries' caution can be partly attributed to US deterrent actions, which include the Helms-Burton Bill and the attempt by Congresswoman Ileana Ros-Lehtinen in 1997 to introduce legislation which would withdraw US assistance and special tariff treatment from any Caribbean Basin Initiative (CBI) country that supported Cuban membership in either CARICOM or the Central American Common Market.<sup>71</sup> Cuba's trade with the Caribbean grew substantially in the 1990s, amounting to US\$452 million in 1996. However, trade with the insular Caribbean still amounted to only 8 per cent of Cuba's total foreign trade and was heavily weighted in favour of Cuba's neighbours.<sup>72</sup>

Anthony Gonzales, evaluating the trade, investment and technical cooperation record between Cuba and CARICOM in 1997, pointed out that Trinidad accounts for over 90 per cent of the export trade to Cuba and that there has been little dynamism either in the growth of Cuban exports to CARICOM, or in the export trade of other CARICOM countries to Cuba. Moreover, by the

end of 1998, there had been negligible progress in trade representation and trade facilitation, few increases in trade missions to Cuba, the partial scope trade agreement was still being studied, and there remained very few joint ventures between Cuban and CARICOM entities, even in the area of tourism.<sup>73</sup> Likewise, there had been slow advances in scientific and technological cooperation. In the sphere of human resource development, however, there were encouraging signs of increased academic and professional/technical exchanges between Cuba and its neighbours.

Some of the main obstacles to the economic integration process that were identified included the fear of US retaliation, the lack of adequate transport links and infrastructure, linguistic barriers and insufficient understanding of business cultures and economic systems on either side, a lack of institutions to facilitate trade or investment, the Cuban foreign exchange constraints and the slow response of the Caribbean private sector to the opportunities in Cuba. The study recommended the establishment of a multilateral payments facility, the restructuring of the institutions and revision of the *modus operandi* of the Joint Commission, and greater involvement by the target groups and beneficiaries in the process.<sup>74</sup>

Despite the slow pace of economic activity, there have been some signs of heightened cooperation between Cuba and the English-speaking Caribbean, driven mainly by bilateral agreements concluded in recent years. There is also considerable interaction in the social and political spheres. Cuban entities have joined the Caribbean Policy Development Centre (CPDC) and the Forum for Civil Society in the Greater Caribbean, two of the main NGO groupings in the area. The CPDC annual conference was held in Havana in 1997. CARICOM officials and civil society actors have contributed sporadically to the debate on democracy in Cuba, placing this in the context of relations with the rest of the Caribbean.<sup>75</sup> Finally, there is growing social and cultural contact between Cubans and the rest of the region. An estimated one million Cubans are of Anglophone Caribbean descent. It is inevitable, therefore, that CARICOM societies should observe with interest the post-Cold War socio-economic evolution in Cuba and the participation therein of this segment of the population.<sup>76</sup>

There are some Caribbean analysts who argue that Cuba may represent the English-speaking Caribbean's last chance, in a string of missed opportunities, to establish meaningful economic and political relationships with the Hispanic Caribbean and to avoid marginalization with the EU. They call for a more coherent diplomatic strategy towards Cuba, the Dominican Republic and Central America, and more focused, consistent efforts to build strong economic ties while the climate is favourable.<sup>77</sup> Collaboration on ACP-EU issues was seen as an important step in this process, and a major bargaining chip for CARICOM. On the other hand, there is a minority which remains reluctant to move too quickly towards extensive integration, and sceptical about the long term consequences.

## Conclusions

Observer status in the ACP Group for Cuba has, during the past two years, represented a 'wait and see' strategy. The latter may well have been preferable



to full membership in the unpredictable international environment generated by the prospective accession of five to ten East European countries to the EU, and the WTO Millennium Round of trade negotiations. Moreover, the REPA free trade proposal and the recent moves to restructure both the European Commission in general and the development cooperation administration<sup>78</sup> make it clear that the ACP will no longer have a privileged separate status among developing countries in trade, development finance or political dialogue. A pragmatic Cuba therefore continues to keep its options open.

In the short term, it is ironic that while Cuban-US relations seem to have thawed since mid-1998,<sup>79</sup> Cuban-EU political relations have not advanced. Much attention was paid to Cuba's tightening of its penal code in February 1999 in response to a rising crime wave. This was followed in March by an EU public condemnation of the imprisonment of four political dissidents on charges of sedition.<sup>80</sup> Relations cooled further in June 1999 after the Cuban government called on the international community to try the then NATO Secretary-General, Javier Solana, as a war criminal for having conducted the bombing campaign against Yugoslavia in the war over Kosovo.<sup>81</sup> Mr. Solana is now the EU Secretary-General for the Common Foreign and Security Policy.

The first phase of the post-Lomé negotiations was concluded in February 2000. The result is an ACP-EU Framework Agreement for a Successor Convention which continues Lomé IV-type trade arrangements for a further eight years.<sup>82</sup> CARIFORUM and the entire ACP grouping have expressed their support for Cuba's accession to this Agreement in the Santo Domingo Declaration of the Second ACP Summit, issued in the Dominican Republic on November 26, 1999. It is significant, however, that, such endorsement notwithstanding, Cuban accession does not appear to be automatic. It still seems to hinge on concerted dialogue between the European Union and Cuba and the sustained political backing of ACP actors.

Despite the uncertainties in Cuban-EU relations, Cuba's relationship with the ACP has offered a valuable chance to advance integration within the CARIFORUM grouping. It remains to be seen whether CARICOM will overcome its decision-making and implementation constraints, and respond quickly with concrete economic initiatives to take advantage of this opportunity to restructure relations with both the Hispanic Caribbean and the European Union.

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**Jessica Byron** lectures in International Relations in the Department of Government, University of the West Indies, Mona Campus, Kingston, Jamaica. Her areas of research interest include European-Caribbean relations and Caribbean-Latin American relations, as well as Small States and the Multilateral System. Recent publications include 'The ACS: Growing Pains of a New Regionalism?' *Pensamiento Propio*, No. 7, junio-agosto de 1998, and together with Diana Thorburn, 'Gender and International Relations: A Global Perspective and Some Issues for the Caribbean,' *Feminist Review*, No. 59, Summer 1998.

## Notes

1. See J. Perez-Lopez, 'The Cuban Economy in the Age of Hemispheric Integration,' *Journal of Interamerican Studies and World Affairs*, Vol. 39, No. 3, Fall 1997, pp.3-47; H. Puerta Rodríguez, 'Relaciones Económicas Unión Europea-Cuba: Analisis de sus Posibles Perspectivas,' University of Havana, Centro de Investigaciones de Economía Internacional, paper presented at Fourth International Conference on European Studies, Centro de Estudios Europeos, Havana, November 18-22 1996.
2. A. Hennessy, G. Lambie (eds) *The Fractured Blockade: West European-Cuban Relations during the Revolution*, Macmillan, London, 1993, pp.5-6.
3. See Lambie, 'Franco's Spain and the Cuban Revolution' and 'Western Europe and Cuba in the 1970s,' in Hennessy and Lambie, *Ibid.*, pp.234-311.
4. J. Luis Rodríguez, 'Economic Relations between Western Europe and Cuba since 1959' and Lambie, 'Western Europe and Cuba in the 1970s,' in Hennessy and Lambie, *Ibid.*, pp.100-15, 311 respectively.
5. G. Jenkins, 'Western Europe and Cuba's Development in the 1980s and 1990s,' Hennessy and Lambie, pp.312-35.
6. Jenkins, Luis Rodríguez, *Ibid.*
7. *Caribbean Insight*, Vol. 22, No. 3, March 1999, p.3.
8. There have been numerous statements by Cuban officials on their nation's right to self-determination in the context of democracy and political change, including the declaration made by former Foreign Minister Robaina when Cuba gained observer status in the ACP Group in July 1998. See 'Cuba rejects conditions for improving EU ties,' *The Daily Observer* (Jamaica), July 2, 1998, p.9. Francisco Granell points out the fundamental differences in conceptions between the EU members who expect the Cuban process to be similar to the systemic transformation of Eastern Europe, and the Cubans themselves, in 'Cuba y la Unión Europea: del Encuadre Latinoamericano al ACP Caribeño,' *Revista Española de Desarrollo y Cooperación*, No. 3, Otoño-Invierno 1998-99, p.96.
9. Eighty percent of these joint ventures are with companies from Spain, Italy, France, Britain and Canada. See *Caribbean Insight*, Vol. 22, No. 3, March 1999, p.3.
10. For details of the 1982 law on joint ventures, see *EIU Country Report: Cuba* No.3, 1990, p.20; *EIU Country Report*, No. 4, 1995, pp.8-10 informs on the current foreign investment legislation.
11. *EIU Country Reports* 1994-96. See, for example British, French and Swiss prefinancing deals for the 1995-96 sugar harvest and British investment in the tobacco industry.
12. See *Beta Gran Caribe Limited*, information sheet of 8 January 1999, p.1, also *Caribbean Insight*, 16 April 1999, p.4.
13. *EIU Country Report*, No. 1, 1996, p.12.
14. *EIU Country Report* No. 3, 1995, p.12, No. 2, 1996, p.12; *Cuba Investment Report*, January 1999, p.1.
15. A comprehensive analysis of the contents and legal implications of the Helms-Burton legislation can be found in J. Roy, 'The Helms-Burton Law: Development, Consequences and Legacy for Inter-American and European-US Relations,' *Journal of Interamerican Studies and World Affairs*, Vol. 39, No. 3, Fall 1997, pp.77-108.
16. *Caribbean and Central American Report*, 6 May 1997, pp.4-5, 19 August 1997, p.4; *Cuba Investment Report*, January 1999, p.2.
17. See, for example, the conclusions of L. Haines, *Reassessing Cuba: Emerging Opportunities and Operating Challenges*, EIU Report, London, October 1997; summary of conclusions can be found in *Caribbean and Central American Report*, 28 October 1997, RC-97-09, p.3. See also 'War of words over impact on Cuba of Helms-Burton,' *Financial Times*, 12 March 1997.
18. See comments by the Partido Popular spokesman on Cuba that 'the PP government would review Spanish credit lines, export guarantees and donations to Cuba and would not be the Cuban lobby in Europe,' *EIU Country Report*, No. 1, 1996, p.7.
19. A useful and detailed discussion of the Cuban-Spanish relationship can be found in Joaquin Roy, 'Spain and Cuba: a special relationship?,' in J. Roy, A. Galinsoga Jorda (eds) *The Ibero-American Space: Dimensions and Perceptions of the Special Relationship between Spain and Latin America*, Iberian Studies Institute, University of Miami, 1997, pp.205-65. For reference to the Spanish role in initiating the dialogue process, see F. Granell, *Op. Cit.* pp.85-97.
20. *EIU Country Report*, No. 4, 1994, p.15.

21. J. Grugel, 'Spain and the Spanish-speaking Caribbean' in P. Sutton (ed.) *Europe and the Caribbean*, Macmillan, London, 1991, pp.127-48.
22. For details, see *EIU Country Report*, No. 3, 1990, pp.14-5.
23. *El País*, 15 de junio 1996, p.10.
24. See reference to the Spanish position in D. Jessop, 'Isolating Cuba Is Dangerous,' *The Sunday Observer* (Jamaica), 30 June 1996, p.11.
25. See *El País*, 13 de noviembre 1996, 3 de diciembre de 1996. For further reports on the various facets of the diplomatic row between Spain and Cuba, see *El Mundo*, 27 de noviembre 1996, 29 de noviembre 1996; also 'Spain Spoils Castro's Triumphs,' *Caribbean and Central America Report*, 12 December 1996, p.2; 'Europe Plans for Dialogue with Cuba,' *Caribbean Insight*, January 1997, p.3.
26. See Antonio Remiro Brotons, 'Cuba, las amistades peligrosas,' *Política Exterior*, No. 55, enero-febrero 1997, pp.5-20; 'Cuba divide al PP' *Diario 16*, 27 de noviembre de 1996, p.4; 'Editorial: la lección de Cuba' *El Mundo*, 29 de noviembre de 1996, p.3; 'El gobierno se queda sólo al defender en el Congreso su política respecto a Cuba' *El País*, 5 de diciembre de 1996.
27. Roy, *Op. Cit.* pp.259-61.
28. Francisco Granell, *Op. Cit.* p.96; 'Cuba and Spain Repair Relations,' *Caribbean Insight*, May 1998, p.3.
29. *Caribbean Insight*, March 1999, p.3.
30. *EIU Country Report*, No. 2 1995, pp.8-9, No. 3 1995, p.8; Commission of the European Union, *Communication from the Commission to the Council and the European Parliament: Relations between the European Union and Cuba*, Brussels 28 June 1995, COM(95)306 FINAL, p.4.
31. *Caribbean Insight*, June 1997, p.6.
32. *Caribbean Insight*, June 1998, p.6.
33. *The Cuba Initiative*, information sheet issued by the West India Committee, London, 1998.
34. *EIU Country Report*, No. 4, 1995, pp.14-5; *Caribbean Insight*, February and October 1995.
35. See G. Lambie, 'European Attitudes towards and Relations with the Castro Government,' paper delivered at Illinois Conference on Latin American Studies, October 30 – November 1, 1997, p.18.
36. Information on developments in credit and cultural relations taken from Reuters 1 Feb. 1999, *Caribbean Insight*, 25 June 1999, p.2, and from interviews in March 1999 at the Foreign and Commonwealth Office and the Caribbean Council for Europe.
37. *Financial Times*, April 1996.
38. Although not the focus of this study, there is literature on the positions of other EU actors. See, for example, G. Oostindie and P. Silva, 'Europa en de Cubaanse Crisis,' *Internationale Spectator*, Vol. 51, No. 2, februari 1997, pp.55-60, which refers to the position of the Netherlands, a prominent human rights spokesperson among the EU member states.
39. Granell, *Op. Cit.*, p.97.
40. Commission of the European Communities, *Op. Cit.*, pp.5-6; see also Lambie (1997), *Op. Cit.*, p.20.
41. Commission of the European Communities, *1993 Annual Report on Humanitarian Aid*, ECHO, Brussels, January 1994; Commission des Communautés Européennes, *Aide Humanitaire: Rapport Annuel 1994*, Communautés Européennes, ECHO, Brussels, 1995; *Report from the Commission to the Council and the European Parliament: Annual Report 1995 on Humanitarian Aid*, COM(96) final, Brussels 18 March 1996.
42. *Declaration by the Presidency on behalf of the European Union concerning the Helms-Burton Bill*, Brussels, 11 October 1995, 10212/95, P.92/95.
43. Agence Europe Press Release 20 November 1995, 'Le rapport de la Troika constate les progrès des reformes économiques et la lenteur des reformes politiques.'
44. Presidency Conclusions, Madrid 15-16 December 1995, SN 400/95, wad/AM/kjf.
45. See statement by Cuban Deputy Foreign Minister, *The Sunday Observer*, (Jamaica), 18 February 1996, p.11.
46. See statement by Foreign Minister Robaina to exiles' conference in Havana, November 1995, that Cuba will not be changing its political and economic model, *EIU Country Report*, 1st Quarter 1996, p.7; also interview in Madrid with Ibrahim Ferradaz, Minister for Foreign Investment and Cooperation, *El País*, 15 June 1996. He indicated that changes to the Penal Code etc. are coming slowly but cannot be rushed to suit the demands of external actors.
47. *Financial Times*, 8 May 1996.
48. Lambie (1997) p.23, Granell p.92.

49. *Common Position of December 2 1996, defined by the Council on the basis of Article J.2 of the Treaty on European Union, on Cuba, (96/697/CFSP), International Legal Materials, Vol. XXXVI, No. 1, January 1997, pp.214-15.*
50. Granell, pp.92-3; Caribbean Export Development Agency electronic newsletter *Tradewatch*, 8 February 1999.
51. See 'Les Quinze obtiennent une suspension de la loi Helms-Burton qui penalise le commerce avec Cuba,' *Le Monde*, 16 April 1997.
52. See J. Roy (1997) *Op. Cit.* pp. 91-3 and Lambie (1997), pp.23-4.
53. For good analyses of the US policy-making environment and Helms-Burton, see W. Leogrande, 'Enemies Forevermore: US Policy towards Cuba after Helms-Burton,' *Journal of Latin American Studies*, No. 29, pp.211-21, 1997; S. Lisio, 'Helms-Burton and the Point of Diminishing Returns,' *International Affairs*, Vol. 72, No. 4, 1996, pp.691-711; J. Petras and M. Morley, 'Clinton's Cuba Policy: Two Steps Backward, One Step Forward,' *Third World Quarterly*, Vol. 17, No. 2, pp.269-87, 1996.
54. 'EU cedes ground to US on Helms-Burton,' *Caribbean Insight*, June 1998, p.1.
55. New policy guidelines for cooperation with Latin America in 1990 led to the 'Third Generation Agreements' with individual countries and with regional groupings, which all contained a clause on human rights and democracy as the essential underpinning for the cooperation process. That trend was continued in subsequent EU-Latin American policy documents in 1996 and 1999. Both the Lomé IV Convention of 1990 and the revised Lomé IV of 1996 substantially reinforced the Lomé agreements' emphasis on human rights, democratic practices, the rule of law and good governance as essential elements of development and the fundamental conditions for cooperation between the EU and the ACP countries. After much heated discussion, good governance has finally been included in the recently concluded post-Lomé agreement as a fundamental element. This means that evidence of corruption may lead to sanctions in development cooperation. See electronic newsletter CARICOM/RNM Update 0002, 10 February 2000, p.2.
56. See, for example, Hilda Puerta Rodríguez, *Op. Cit.*
57. See Carlos Alzugaray Treto, *La Asociación de Estados del Caribe y la Unión Europea*, IRELA Documento de Trabajo No. 40, IRELA, Madrid, 1999.
58. See 'Europe, the ACP and the Caribbean – Using Lomé to Build Regional Integration and New Partnerships,' speech to the CCE 8th Europe-Caribbean Conference by the Rt. Hon. Owen Arthur, Prime Minister of Barbados, Havana, 7 December 1997, and 'The Challenge for the Caribbean – The Post Lomé Process: Turning Policy into Practical Measures,' address by Sir Shridath Ramphal, CARICOM Chief Negotiator, at CCE Conference, Havana, 7 December 1997. See also 'Cuban Role Sought in EU-ACP Relations,' *Caribbean Insight*, January 1998, p.2.
59. *The Daily Observer*, 2 July 1998, p.9.
60. *Caribbean Insight*, September 1998, p.1.
61. M. Erisman, 'Beyond Political-Economic Diversification: Cuba's Coalition-Building Activities,' paper delivered at the 19th International Congress of the Latin American Studies Association, Guadalajara, Mexico, 17-19 April 1997.
62. A. Bryan and R. Bryan, *The New Face of Regionalism in the Caribbean: The Western Hemisphere Dynamic*, North-South Agenda papers, No. 35, North-South Centre, University of Miami, Miami, March 1999, p.14.
63. See remarks by Carlos Alzugaray Treto, *Op. Cit.*, and Michael Erisman, *Op. Cit.*
64. On the ACS, see Alzugaray, *Ibid.*, J. Byron, 'The ACS: Growing Pains of a New Regionalism,' *Pensamiento Propio*, No. 7, junio-agosto 1998, pp. 33-63 and on a more pessimistic note, A. Lopez, 'AEC: El Sueño Desaparece' paper presented at CIEI/CRIES/INVESP Workshop on Civil Society and Regional Integration in the Greater Caribbean, Havana, 14-17 June, 1999. The clearest example of hedging bets is the Dominican Republic's proposal, tabled in 1998, to have a CARICOM-Central American alliance for international trade negotiations and regional trade.
65. Carlos Lage speaks not only of 1090 Caribbean citizens having been trained in Cuba up to 1997, but of the granting of 244 university scholarships for 1997-8, and the fact that 166 Cuban professionals and technicians were working in the rest of the Caribbean in 1997. See Carlos Lage Dávila, speech delivered at 8th CCE Europe-Caribbean Conference, Havana, 4 December 1997, p.3.
66. For details of Cuba's relations with the Caribbean, see J. Byron, 'Cuba's Rol op het Westelijk

- Halfond' (Cuba's Hemispheric Diplomacy: Renegotiating a Place'), *Internationale Spectator*, No. 2, February 1997, pp.61-9; also M. Erisman, 'Evolving Cuban-CARICOM Relations: A Comparative Cost/Benefit Analysis' in *New West Indian Guide/Nieuwe West-Indische Gids*, No. 69, 1995, pp.45-66.
67. Intervention made by President Castro at the Economists' International Meeting on Globalization and Development Problems, Havana, 18-22 January 1999.
  68. D. Jessop, 'That Luxembourg Directive,' *The Sunday Observer* (Jamaica), 5 July 1998; also *Comparing the ACP and EU Negotiating Mandates*, Lomé Negotiating Brief No. 3, ECDPM, Maastricht, 1998, <http://www.oneworld.org/ecdpm>.
  69. Conversation with technical staff in the CARICOM Regional Negotiating Machinery, May 1999.
  70. Erisman, *Op. Cit.*, pp.22-3.
  71. See 'Excerpt of Bill H.R. 2296, introduced by Ileana Ros-Lehtinen, Representative of the State of Florida at the 105th Congress' in *Chronology of Events in the Global Relations of Caribbean Countries for the Year 1997 and Select Documents*, Institute of International Relations, UWI, Trinidad, 1998, pp.276-80.
  72. Speech by Carlos Lage Dávila, *Op. Cit.*, December 1997, p.4.
  73. A. Gonzales, 'CARICOM and Cuba: An Evaluation of the Regional Cooperation Program,' in C. Wedderburn (ed.) *From COMECON to CARICOM*, CARICOM Secretariat, Georgetown, Guyana 1998, pp.17-45; also Press Statement of the Fifth Meeting of the CARICOM-Cuba Joint Commission, Georgetown Guyana, 18-19 November 1998, *Tradewatch*, 24 November 1998.
  74. Gonzales, *Ibid.*
  75. Sir Shridath Ramphal in his address to the CCE Havana Conference in December 1997, stated, 'We will all travel more safely and securely if you prepare to put in place the post-revolutionary democracy that almost certainly would have been here already, had you not been harassed and sanctioned and threatened these many years. Have no doubt, however, of our encouragement that you should do so'; Jamaican journalist Oliver Clarke, immediate past President of the Interamerican Press Association has stated on a few occasions that Cuba should only join CARICOM after changes in the area of press freedoms take place. See "'Cuba must have free press for CARICOM seat," says Clarke,' *The Daily Observer*, 30 November 1998, p.1.
  76. A cross-section of views on the issue of ethnicity and social change in Cuba can be found in the following: Carlos Moore, 'Cuban Communism, Ethnicity and Perestroika: the Unmasking of the Castro Regime,' *Caribbean Quarterly*, Vol. 42, No. 1, March 1996, pp.14-29; Gayle McGarrity, 'Cubans in Jamaica: A Previously Neglected Segment of the Cuban Diaspora,' *Ibid.* pp.55-83; Chris Brown, 'The Role of Race and Ethnicity in the Dynamics of Systemic Transition in Cuba,' in Moore (ed.) *Op. Cit.*, pp.129-182; Alejandro de la Fuente and Laurence Glasco, 'Are Blacks "Getting Out of Control"? Racial Attitudes, Revolution and Political Transition in Cuba,' pp.53-72 in M. A. Centeno and M. Font (eds) *Toward a New Cuba? Legacies of a Revolution*, Lynne Rienner, Boulder, Colorado, 1998.
  77. A. Gonzales and Bruce Kenrick Lai in Carlos Moore (ed.) *Op. Cit.*
  78. In July the new President-designate of the European Commission announced planned changes to the structure of the Commission that included the elimination of the Directorate-General for Development, DG VIII, that deals with all ACP/Lomé affairs. See *Tradewatch* 14 July 1999; also Eurostep, 'Restructuring of the European Commission – Implications for International Development' <http://www.oneworld.org/eurostep/rescom.htm>. 27/07/99.
  79. See *Cuba Investment Report*, January 1999, pp.1-2, for a summary of the measures announced by President Clinton in January 1999 to lighten the embargo, also the recommendations made by the Council on Foreign Relations Task Force on American-Cuban relations, <http://www.foreignrelations.org/studies/transcripts/cuba2.html>, 09/02/99.
  80. Associated Press Headlines 17/02/1999, 'Cuban Government set tough new laws/sentences for common and political criminals'; 'EU angry with Cuba,' *The Gleaner*, 19 March 1999, p.1.
  81. See 'Declaración del Gobierno de Cuba,' *Granma Internacional*, 6 de junio de 1999, pp.1, 14-5.
  82. CARICOM/RNM Update, 10 February 2000, pp.1-2, *Tradewatch*, 'ACP Press Release on Negotiations,' 15/02/2000, 3p.

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