TARGETING CASTRO, NOT CUBA: CONSIDERING A SMART SANCTIONS APPROACH TOWARD CUBA

Brian Alexander

Through writing, public advocacy, and other personal and professional endeavors, I have demonstrated my firm belief that greater engagement with Cuba would advance America’s national interest and at long last bring economic and democratic reform to the island. As former executive director of the Cuba Policy Foundation (CPF), I had the fortunate experience of participating in one of the most successful initiatives to date to ease sanctions against Cuba. Our economic impact studies demonstrated billions of dollars in economic opportunity in Cuba, including over $1 billion for the Miami economy alone. However, on April 23, 2003, I walked away from this project following one of the worst human rights crackdowns in the Western Hemisphere in over a decade, when the CPF board of directors and I resigned in collective protest.

The round up by the Castro government was unconscionable. Over 75 of Cuba’s leading human rights activists, following summary trials lasting in many cases less than a day each, were sentenced to a total of more than 1,400 years in Cuba’s prisons—all for their crimes of seeking greater freedom of speech and participation in their government.

Moreover, it was the conclusion of the CPF Board of Directors and me that the political outcome in the United States of these events in Cuba would be the effective shutdown of any hope that legislative efforts to ease sanctions against Cuba would succeed. Even though we remain firm in our view that engaging Cuba would advance both America’s national interest and peaceful political and economic change in Cuba, we also recognized that the great strides that we had taken forward toward these goals were wiped from the board.

We were faced with a choice: continue onward in what we were certain would be a futile enterprise, or take the opportunity to make a principled statement of protest against the Castro government. We chose the latter. This is a decision that I am proud of, and one I stand behind today.

All of us continue to face the challenging question of what to do about Castro’s Cuba? How, at last, to help bring about economic and political reform to the island, reverse decades of human rights abuses, and set Cuba and its people on a productive path toward a positive future? How to unlock billions of dollars in lost economic opportunity? We have seen that four decades of economic sanctions have not produced reform on the island; efforts to ease sanctions and try a new approach toward Cuba will eventually be shot down by Castro at every turn; while efforts by the U.S. Government to promote civil society on the island have been used by Castro as bogus justification to undertake what leading Cuban dissident Elizardo Sánchez has called the “decapitation” of Cuba’s dissident movement. At a time of the greatest humanitarian crisis we have faced in Cuba in many years, and while America’s national and economic interests remain not served by current U.S.-Cuban relations, our options for moving on a successful path forward seem few, if not simply not known.
Is it possible that the period we have now entered in U.S.-Cuba relations is best described as a deathwatch? That is, until Fidel Castro passes from the scene, are there any good policy options available to the United States regarding Cuba? But to call this period a “deathwatch” would indeed be a cynical conclusion, one that would suggest that the international community and Cubans themselves ought simply to throw-up their hands and wait for biology to take care of our problems. This, obviously, is not a desirable course of action.

One area of possible promise, a glimmer of hope, that has emerged following the Havana Spring, is increased international recognition of Cuba’s human rights abuses, the difficulties of applying a constructive engagement model with the Castro government, and, as this paper will focus on, the prospect of stepped-up multilateral efforts to promote freedom and prosperity in Cuba. This new context provides a unique opportunity to marshal international support behind creative approaches to promoting a rapid, peaceful transition in Cuba. Such a transition would bring obvious benefits to the Cuban people, but is also an essential step toward achieving the full potential of the Cuban economy and of Cuba as a U.S. trading partner.

Numerous proposals regarding multilateral approach toward Cuba have been discussed and foundered over the years. International opposition to the U.S. embargo has tended undercut productive multilateral discussions about Cuba. But, at last, with the crackdown, hope has been ignited that this discussion might shift away from the United States and finally focus on Castro. Indeed, in recent months the international landscape has shifted dramatically. Formal and informal discussions about cooperating on Cuba between the United States and foreign partners have increased; the European Union, Canada, Mexico and others, incensed by what has happened in Cuba, have increased their focus on human rights abuses in Cuba, including following upon the U.S. model of greater outreach to Cuba’s dissidents; the trouble of fully realizing the trade potential of Cuba under Castro has been reinforced, in particular, as illustrated by the fall-out over the Cotonou Agreement and the way the crackdown will impede efforts in the United States to open trade with the Island; Cuba itself, under Castro’s direction, has soured relations and ratcheted up hostile rhetoric against the EU and others.

So, if the international context has presented a unique and perhaps unprecedented opportunity for multilateral cooperation on an approach toward Cuba, what options for multilateralism exist?

**THE SMART SANCTIONS MODEL**

One possible option is a policy of “smart sanctions.” Smart sanctions or “targeted” sanctions, are limited coercive measures intended to focus pressure or leverage on decision-making elites and other culpable parties for unacceptable behavior. Differing in significant ways from comprehensive sanctions, a smart sanctions approach is meant to limit the impact of a sanctions regime to specific individuals or entities, while minimizing the impact or negative fallout on third parties. Smart or targeted sanctions may include such devices as: targeted financial sanctions, arms embargoes, travel bans, commodity embargos, and diplomatic restrictions. Applied effectively, a multilateral smart sanctions can focus attention on unacceptable actions of targeted individuals and entities, pressure such individuals or entities to modify their behavior, and serve as a valuable component of a broader strategy at promoting political or economic reform in a target country. Smart sanctions, while not a panacea, can serve a strategy of bringing about reform.

Notably, unlike comprehensive sanctions, a multilateral smart sanctions policy is less likely to exclude other policy tools, including expanding limited engagement. For example, smart sanctions would not necessarily be mutually exclusive to lifting the U.S. travel ban, or broadening U.S. commercial engagement with the island. Proposals to expand U.S. exports to Cuba, floated among Washington policy circles during the months prior to the crackdown, could still proceed under a targeted sanctions program and immediate, limited economic gains potential of Cuba could be achieved in the short-term, coinciding with a multilateral targeted sanctions program.
Since the latter part of the 1990s, smart sanctions have become an increasingly used tool in international affairs, but to date this approach has not been given serious consideration regarding the case of Cuba. To the author’s knowledge, no literature exists on the topic of applying smart sanctions toward Cuba, and this paper is the first attempt at spelling out such an approach.1

A smart sanctions policy toward Cuba would not be a perfect solution. As the discussion in the next section will illustrate, the verdict is still out on how best to apply smart sanctions. However, smart sanctions offer the promise and opportunity for a strong, effective multilateral policy approach toward Cuba, for no fewer than the following reasons:

- The international climate is more favorable toward a multilateral approach than at other times in recent memory.
- Smart sanctions offer a viable “third way,” toward Cuba that bridges the gap between the constructive engagement of America’s allies and the comprehensive sanctions of the United States. Unilateral U.S. comprehensive sanctions have not been successful in achieving goals of political and economic reform in Cuba. Meanwhile, America’s comprehensive sanctions are internationally disdained and viewed as ineffective. Comprehensive sanctions have caused unintended consequences that unnecessarily harm third parties and, according to some, they have provided Castro justification for Cuba’s shortcomings. Moreover, neither is constructive engagement viewed, in itself, as a perfect solution or panacea for promoting political and economic reforms. Smart sanctions, because they are targeted would also minimize unintended or unnecessary harm to the political and economic interests of international allies.

- A multilateral smart sanctions policy would minimize unnecessary hardship to potential allies on the island who oppose the unacceptable behavior of the Castro government while sending a symbolic support to their cause.
- Smart sanctions would direct attention of the Cuba debate to the Castro government, its human rights abuses, and its failure to adopt or adhere to meaningful political and economic reforms, and its responsibility for Cuba’s faltering economy. Targeted sanctions would help direct pressure on the Castro government to respond to the demands behind the sanctions policy or to undertake broader reform.
- Smart sanctions do not preclude some forms of economic, political and cultural engagement that international actors may find favorable, and they do not necessarily exclude application of other approaches for addressing Cuba.

THE SMART SANCTIONS MODEL AND CUBA

The favorability of the current international context toward multilateral approach to Castro’s Cuba warrants investigation into a targeted sanctions policy. This section is a preliminary look into some of the major concepts and issues surrounding smart sanctions, including the merits and challenges of applying this tool in international affairs, and in particular how smart sanctions may be applied toward Cuba.

Defining “Smart Sanctions”

“Smart sanctions,” as used in this report, follows the definition of David Cortright and George Lopez, whose groundbreaking work on the application of inducements and incentives in international affairs has been influential on the conceptual background for this report.2 According to Cortright and Lopez: “A smart sanctions policy is one that imposes coercive pressures on specific individuals and entities and that

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1. The author is taking the opportunity of presenting this paper at the Association for the Study of the Cuban Economy’s 2003 annual conference to generate discussion and feedback on a smart sanctions approach toward Cuba. Insights gained during the conference will inform a longer research study, which will elaborate on points neglected or only touched upon lightly in this report. Feedback to the author is most welcome at alex@giraldilla.com.

2. The author worked for David Cortright, President of the Fourth Freedom Forum, while serving as Research Analyst at the Forum in 2001.
restricts selective products or activities, while minimizing unintended economic and social consequences for vulnerable populations and innocent bystanders.”

Examples of smart sanctions may include targeted financial sanctions, arms embargoes, travel bans, commodity embargoes, and diplomatic restrictions. Smart sanctions are intended to be a less blunt instrument than comprehensive embargoes, and are intended to maximize pressure on decision making elites or perpetrators of unacceptable behavior, while minimizing the negative impacts that comprehensive sanctions often have on civilian populations, possible domestic reformers or allies in the target countries, nontargeted third parties and other innocent bystanders both in the target country and abroad. A more exhaustive list of examples of smart sanctions, which may be considered in the case of Cuba, appears later in this report. As “smart sanctions” are, by definition, targeted sanctions, the terms “smart sanctions” and “targeted sanctions” will be used interchangeably throughout.

Smart sanctions emerged as a tool of coercion over the course of the 1990s, when the application of sanctions policies grew in frequency and greater understanding evolved of how to use sanctions to achieve intended goals while minimizing unintended or unwanted consequences. Beginning in the early 1990s, the frequency of multilateral application of coercive economic sanctions as tools of international diplomacy increased, principally, but not exclusively, through the United Nations.

Despite their increased application, the track record of the success of sanctions is at best mixed (like most tools in international affairs, they do not provide a perfect solution), and attempts at measuring what is meant by success are fraught with analytic problems. Nonetheless, in some instances, sanctions, when combined with other tools of diplomacy and persuasion, have yielded intended results (Libya, Haiti and South Africa are possible examples) and sanctions, regardless of their track record, appear to be a permanent component of international diplomacy. By mid-decade, as the sometimes negative, unintended impacts of comprehensive sanctions became increasingly apparent—either in humanitarian consequences on civilian populations or harm to nontargeted individuals or entities—a more nuanced approach toward applying sanctions became dominant. For example, except in the cases of Iraq, Haiti (1993-1994), and Yugoslavia (1992-1995), each of the fourteen cases of UN imposed sanctions during 1990 through 2001 were limited or targeted.

Measuring the Success of Smart Sanctions

Qualitative and quantitative analyses of smart sanctions policies applied during the 1990s suggest that targeted sanction have yielded only limited success. Cortright and Lopez determined that with regard to the application of targeted sanctions by the United Nations in the period 1990-2001, “only two of the ten... cases of more limited sanctions... were partially successful.” Meanwhile, comprehensive sanctions appear to have a better track record of effectiveness, with three of four comprehensive sanctions policies yielding political effects. However, despite the

5. The case of UN sanctions against Iraq was a particularly compelling factor in the evolution of smart sanctions policies. The humanitarian consequences of the embargo, particularly the oil-for-food program, and the negative impact sanctions had on international commercial interests to engage Iraq, were two negative side-effects that were attempted to be corrected as Iraq sanctions were revised as the decade moved on.
7. Determining the effectiveness of sanctions programs is subject to methodological and other analytic challenges. The fact that there are a relatively small number of cases to analyze, combined with problems of determining which variables may or may not be contributing to particular outcomes, challenge the integrity of any assessment of the effectiveness of sanctions policies—whether comprehensive or targeted. These are fairly standard problems in any academic exercise to assess outcomes in international affairs and should not preclude determining a positive role for smart sanctions.
appearance that targeted sanctions are only minimally successful, and perhaps less successful than comprehensive sanctions, smart sanctions hold promise as a tool of international diplomacy and measures can be taken to improve their effectiveness.

Cortright and Lopez have adopted three “pragmatic, modest criteria” for evaluating the effectiveness of sanctions, which are also instructive in formulating specific goals that smart sanctions are determined to achieve:

- Did sanctions help to convince the targeted regime to comply at least partially with the senders’ demands?
- Did sanctions contribute to an enduring, successful bargaining process leading to a negotiated settlement?
- Did sanctions help to isolate or weaken the military power of an abusive regime?

As can be inferred from these criteria, smart sanctions should not be intended as ends in and of themselves, nor should they be expected to be the only component of a successful strategy of achieving desired behavior out of the target country. As number two suggests, a smart sanctions policy should be a component of a greater negotiating or bargaining process if they are intended to produce results. Regarding Cuba, this may pose a particular stumbling block in the international community, as some will oppose negotiating with Castro, or at the very least be skeptical that any such negotiation would yield a desired outcome. However, in as much as smart sanctions limit their effect to the regime, they focus their pressure on particular individuals. If these individuals do not comply with demands or participate in productive negotiations, then they will bear the primary brunt of the targeted sanction.

An additional consideration raising the promise of success in a smart sanctions policy is that it may be easier to muster the international political will to apply them, given their intrinsic safeguards against unintended humanitarian harm or negative impact on third parties. In the case of Cuba, this is a key consideration, given historic international opposition to the U.S. approach of comprehensive sanctions against the island. Narrowing the target of the sanctions and limiting the potential for unwanted effects may increase the international will to apply a sanctions program. That smart sanctions may be easier to apply does not necessarily mean that they will succeed—this must be addressed in the nature of the smart sanctions policy itself, but the greater ease of acquiring international consensus behind a multilateral measure has a positive value that should not be overlooked.

Other factors to consider in measuring the success of smart sanctions policies are the symbolic and deterrent value. Simply employing measures that target specific entities sends a signal of condemnation, which may erode the authority of perpetrators of unacceptable behavior and draw international and domestic attention to their transgressions that led to such condemnation. In the case of Cuba, a multilateral program of condemning Castro could have significant symbolic value in undermining his authority and encouraging greater outspokenness among those holding divergent views on the island. A deterrent value may emerge from usage of smart sanctions as well, wherein international actors may be hesitant to undertake certain reprehensible acts if there is credible reason to believe that they may be subject to targeted sanctions.

**CRITERIA FOR APPLYING A POLICY OF SMART SANCTIONS**

The apparent limited track record of success for targeted sanctions does not mean that they do not work. Indeed, the experience of applying smart sanctions throughout the 1990s is instructive on how to improve their effectiveness. The following guidelines, which should be applied in a smart sanctions policy toward Cuba, will improve the likelihood that such a policy will achieve its intended result.

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Smart Sanctions Must Have Specific Policy Goals

Targeted sanctions will be “only as effective as the overall policy they are designed to serve.” The application of a smart sanctions policy must identify specific behaviors that have led to the imposition of sanctions, which will serve as well to inform the preconditions that must be met in order for the targeted sanctions to be lifted.

The character of behavior targeted by the sanctions policy may also impact the probability of whether the sanctions will serve to promote reform of behavior in the targeted individuals or entities, or will simply serve to punish them. Ideally, sanctions will encourage reform and the prospect of sanctions being lifted will serve as an inducement to comply with demands. However, one can imagine demands that, if met, would so undermine the power of those targeted that they would never be met, and the punishment of targeted sanctions would be opted for in favor of compliance. This has particular bearing in the case of Castro’s Cuba. Tying targeted sanctions to a demand for the release of political prisoners or greater civil liberties or economic freedoms for the Cuban people would be much less significant for regime longevity than tying sanctions to free and fair elections or a government in which the Castro brothers play no role. The former would lend targeted sanctions a greater role in a bargaining or negotiation process, whereas the latter would effectively undermine the prospect of bargaining or negotiating at all.

However, simply because a demand might be unlikely to be met does not mean that it should not be a goal of smart sanctions. First, by denying individuals or entities access to resources or activities, their capacity to undertake objectionable behavior can be diminished, which is a positive outcome in itself. For example, UN the embargoes on the sale of diamonds from Angola (1998), Sierra Leone (2000) and Liberia (2001) were intended to deny warring factions cash resources that enabled them to fund hostilities.

Secondly, targeted sanctions that hold little prospect to contribute to a bargaining process may encourage reform by symbolically or literally weakening the perpetrators of objectionable behavior, and thus encourage domestic opposition to engage in activities to promote reform from within the targeted country. For example, a ban on international travel by Cuban officials would publicly undermine Castro’s projection of invulnerability on the island, and may encourage dissenters within and outside of the government to press for reforms similar to those demanded as part of the smart sanctions policy. This raises the issue that smart sanctions should not be the only component of overall policy toward a target country, but part of a broader strategy that could include, in the example of Cuba, greater outreach and coordination with dissidents and civil society actors. This is elaborated below.

Targeting

A smart sanctions policy must weigh the impact on the target, versus humanitarian impact or impact on non-targeted persons or entities. Such an approach will first identify decision-making elites most responsible for objectionable behavior and then identify activities, assets or resources most valuable to these individuals that should be denied under targeted sanctions.

Cortright and Lopez list three possible categories for identifying the targets of sanctions: specific individuals engaged in objectionable behavior; a “functional definition of those to be sanctioned,” which would be anyone serving in a particular capacity in a regime which would enable them to engage in or facilitate objectionable behavior; or “by casting a broad net over the economy of a society and then rolling back coercive pressures to signal support and encouragement for reformers and to protect innocent or vul-

11. Cortright and Lopez, Smart Sanctions, p. 16.
nerable populations... [selectively] lifting pressures on key social groups and constituencies."\(^\text{12}\)

**Combine Sanctions with Incentives**

Targeted sanctions do not need to be thought of only as a policy of punishment. When combined with offers of other cooperation or benefits upon meeting of conditions demanded by the smart sanctions policy—such as, for example, increased aid or trade—targeted sanctions can be part of a broader package of carrots and sticks meant to bring individuals or entities into compliance with acceptable behavior. Sometimes the promise of having the sanctions lifted may in itself be an incentive in itself. In the case of Cuba, for example, compliance with demands of a targeted sanctions program could be combined with the promise of efforts at greater integration into regional trading organizations (e.g. FTAA or Cotonou), or the promise of other efforts to address issues of concern.

**Smart Sanctions Not the Only Policy Tool Employed**

The historic track record of sanctions policies suggests that on their own, they are less likely to produce intended results than when combined with other policy tools. Targeted sanctions may be more effective when combined with incentives, as outlined above, or as part of a broader strategy of bargaining and negotiation, or in combination with tools of limited engagement, such as, for example, increased humanitarian assistance, expanded commercial relations in areas of non-targeted economic activities.

**Compliance**

The success of sanctions policies—whether smart or targeted—is determined by how effectively they are enforced. A policy of multilateral targeted sanctions, in order to achieve its intended political effect, would need to be realistically enforceable and vigorously enforced. Cortright and Lopez, in their quantitative analysis of the effectiveness of targeted and comprehensive sanctions, conclude that: "The most important ingredient of success is not whether sanctions are comprehensive or targeted but whether they are seriously enforced."\(^\text{13}\)

**A CATALOGUE OF SMART SANCTIONS: OPTIONS FOR ADDRESSING CASTRO'S CUBA**

A smart sanctions strategy toward Cuba would bring with it several benefits: (1) symbolic; (2) deterrent; and (3) focus international attention on Castro. Where applied effectively, taking into account the pros and cons of the preceding discussion of smart sanctions, a strategy of smart sanctions could yield specific intended results, and provide a viable policy alternative in the face of few good options.

As stated previously, a key component of any sanctions program is a clear policy behind it. That is, what are the goals hoped to be achieved, what are the demands being made, as a condition for lifting targeted sanctions?

What might be the policy goals of a multilateral targeted sanctions policy toward Cuba? In selecting goals of a multilateral smart sanctions policy, controversial items, such as settlement of U.S. property claims or action based on U.S. allegations of Cuban development of bioweapons, would be more divisive and less prone to result in agreement than matters of greater consensus such as Cuban political prisoners or lack of adherence to internationally accepted standards of civil liberties. A non-exhaustive list of considerations that could be candidates for multilateral agreement might include:

- Release of the political prisoners incarcerated in the Spring of 2003;
- Release of all political prisoners;
- Allow UN Special Rapporteur on Human Rights;
- Permit internationally-monitored elections;
- Greater commitment to economic reforms begun in the 1990s;
- Demonstrated effort to respond to the June 2002 EU letter on foreign investment in Cuba;


\(^{13}\) Cortright and Lopez, *Smart Sanctions*, p. 9.
Commitment to settlement of all outstanding property claims;

Adherence to some or all of the five proposals of the Varela Project: (1) the right to freedom of speech; (2) the right to free enterprise; (3) amnesty for all political prisoners; (4) the right of Cubans to create enterprises; and (5) a new electoral law.14

Though not necessarily comprehensive, the following “catalogue” of smart sanctions options provides a useful starting point of proposals for multilateral targeted sanctions that could be employed against the Castro government. These options for multilateral smart sanctions include:

- International travel ban on the Cuban leadership: Castro and a handful of the Cuban leadership would be prohibited from international travel. This also serves to identify the real target of the multilateral sanctions.

- Suspend commercial credits and international loans to Cuba: This move may be largely symbolic, given Cuba’s poor credit rating and the fact that many may not be interested in lending to Cuba, and therefore perhaps easier to gain consensus around.

- Diplomatic measures/Recall of Ambassadors: Adherent countries would downgrade diplomatic relations.

- Total ban on commercial air travel: Making coming and going from Cuba very difficult would yield immediate reduction of tourism. Charter flights might remain in order that families could continue to visit. Similar measure applied with success against Libya. Downsides are that the Cuban population gets hit the hardest in economic terms, and key allied states, Canada and Spain, would feel strong direct economic impact as well. An exception for “humanitarian” flights could be included, which would allow family visits.

- Targeted financial assets freeze: Freeze assets held abroad by the Cuban regime, perhaps seeking Swiss and other aid in tracking foreign accounts of the Cuban leadership.

- Commodity embargo: Adherent countries would agree to ban imports of selected Cuban commodities such as sugar, nickel, tobacco—a ban on Cuban cigars would be easy to implement. A downside is that key allied countries have commercial stakes in such trade and the U.S. does not.

Note that none of these measures preclude the U.S. from unilaterally lifting its travel ban or export restrictions; in fact, it might be more palatable for these multilateral steps to be taken, from the point of view of U.S. supporters of the embargo, as an international sanctions regime would be in place to address unacceptable behaviors by the Castro government.

COMPARATIVE CASE STUDIES
A comparative analysis was not completed in time for presentation of this report. However, case studies of the application of targeted sanctions that could be instructive for a multilateral smart sanctions policy toward Cuba would include the following: EU sanctions against Zimbabwe (2001-present), joint EU-U.S. sanctions against former Yugoslavia (1998-2000); UN targeted travel sanctions against Libya.

CONCLUSION
A smart sanctions approach is a promising policy option in answer to the question, what to do about Castro’s Cuba? But mustering domestic and international political will for adopting a multilateral smart sanctions program poses unique challenges, left unexplored by this report. The domestic battle over U.S. policy toward Cuba in the United States is vexing territory for anyone wishing to propose new policy approaches or to alter the status quo. Internationally, even if domestic will in the United States could be achieved, a smart sanctions policy would face the predictable challenges of any U.S. proposals on Cuba, wherein foreign leaders are motivated both by their own domestic political constituencies (among whom it remains harder to paint Castro as a problem), historic animosity toward U.S. policy toward

Cuba (the recent events at the OAS and UN human rights committees are evidence suggesting that this phenomenon lingers), as well as competing trade and security interests that each country may have vis-à-vis Cuba.

However, a smart sanctions approach would sidestep many of the traditional hurdles both domestically and internationally. By limiting negative humanitarian and unintended economic impacts on both non-targeted Cubans and international actors, smart sanctions would cut a middle ground that minimizes commercial and political objections.

Finally, a smart sanctions approach toward Cuba would build upon the unique and perhaps unprecedented climate of international condemnation that has followed Havana Spring. This is an opportunity that should not be squandered. Given that our current options are few, smart sanctions could be a winning prospect, well worth committing the energy, strategy and political capital necessary for success.