

CAN CUBA AVOID BECOMING A NARCO-STATE?

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THE THREAT

Cuba is 700 miles long, has 5400 miles of coastline, and is surrounded by 3700 islands or keys. Located close to southern Florida, it thrusts from the Caribbean into the Gulf of Mexico. Starting with the British attempt to monopolize trade with their American colonies, Cuba became a base for smuggling rum, slaves, and manufactured goods. During prohibition, Cuba served as a major source of bootleg alcohol and became a hedonistic retreat for Americans seeking booze, sex, alcohol, and drugs that were restricted at home. All of this, of course, had a corrosive influence on Cuban society and government.

Fidel Castro changed the incentives for crime. The police state made it more dangerous. The accumulation of wealth, however earned, was discouraged. The ability to spend money to buy the necessities for a higher standard of living became very limited. The establishment of the Committees for the Defense of the Revolution (CDR) and the security police made it difficult to avoid the scrutiny of the state.

Still, some types of crime continued and new forms developed. For a period in the late 1980s and 1990s, the Cuban government or at least some of its highest-ranking officials were involved in narcotics smuggling into the United States. Ordinary Cuban citizens were less interested in getting rich and more concerned with survival. Black market activity became and remains a daily activity in most Cubans' lives. Most foreign observers, especially economists, do not see this activity as a serious crime. It is to be expected when the government limits market activity. Nevertheless, individuals organize themselves into groups (gangs) to facilitate black market activities. The Cuban government ad-

mits that theft from State enterprises is common, as is bribery of low-level officials. Even the officers of the CDRs are involved in the black market, which is one reason so little of it is prosecuted. In most other societies all this would be considered evidence of wide spread corruption. Cubans dismiss it as "Hay que resolver" — one has to solve the problem of survival.

If we project the current situation into some future transitional period, there is more reason to be concerned. We all hope that the abolition of the police state, the mass organizations and the CDRs will come sooner rather than later. There should be a freeing of markets and greater openness to foreign capital. Those changes, however, will make it much more difficult to monitor spending and illegal activity of all types. There is a saying in Cuba that "anyone can steal a dollar a day, but no one can steal a million." It is a claim made true by, among other factors, the role of the CDRs. Today, a Cuban cannot spend a million dollars in Cuba. The CDRs quickly notice even a small change in an individual's spending. The reforms of the "special period" complicated the work of the CDRs by opening new legitimate sources of income, which in turn allowed for greater individual spending. Nevertheless, the ability to monitor spending remains. The abolishment of the CDRs and/or the creation of a free market economy will destroy that ability to monitor spending and illegal cash flows of all types.

Reform, both political and economic, will likely come to Cuba unevenly. Cuba is so far beneath its current production possibility curve that any freeing of markets will likely lead initially to strong growth. However, many reforms including privatization, land reform and even removal of price controls will be resisted by

those who will fear the consequences. One does not need to look at Eastern Europe to observe how long economic reform can take. In our own hemisphere, we can observe Argentina, which 55 years later still suffers from the legacy of Juan Perón.

New opportunities for corruption will appear even as others disappear into functioning markets. Foreign investment may be slow in coming until the legal situation is clarified. Income disparities are likely to grow with resulting resentment from those left behind. Initially some incomes may actually fall and many aspects of the current social safety net are likely to disappear. A free but poor Cuban population will gravitate towards the higher rewards of criminal activity.

The worst elements of the security forces will oppose disbandment and many are likely to move into organized crime. Some of the gangs, whose original purpose was ordinary economic survival, will serve as the organizing structure for more anti-social behavior such as narcotics and human trafficking.

These are not just speculative concerns. We have seen similar scenarios throughout Eastern Europe and the former Soviet Union. In his recent book, *McMafia*, Misha Glenny describes the rise of organized crime throughout Eastern Europe. He describes how Bulgarian wrestlers first took over the stolen car business, then moved into protection and sex trafficking.¹ Bulgaria's current president is a wrestler.

IMPLICATIONS FOR U.S. POLICY

The problem for U.S. policy toward Cuba is finding a balance between our security interests and national values. By accepting the Cuban government in its current form, we can probably avoid or postpone the danger that the island will become a center for narcotics smuggling. But many Americans concerned with promoting political liberty would not find that trade-off acceptable.

In the short term, we should be willing to explore greater cooperation with Cuban authorities. This may

involve some risks. We could, for example, share more intelligence (and do it earlier) about likely air and sea shipments of illegal substances passing through Cuban territory. We could develop regular contact between the DEA and Cuban narcotics officials. Of course, we should avoid any actions that might improve the ability of the regime to use coercive measures against political dissent, but the reality is that the regime has already numerous effective tools it uses to that end. It is not clear that greater cooperation in drug enforcement would quantitatively enhance the government's security apparatus.

We do not have to go into such cooperation blindly. Great Britain, Canada and Spain all have some bilateral narcotics enforcement agreements with Cuba and we can learn from their experiences before we move forward.

In his presentation on this panel, Randy Beardsworth, argues the need for functional cooperation with Cuba, which he has nicknamed bureaucrat-to-bureaucrat relations. He argues the need for such relations especially when governments collapse and points out that during and after our 1994 intervention in Haiti, such contacts continued to serve a critical function, especially when it came to migrant repatriation.²

Once Cuba begins to undergo a meaningful transition, be it rapid or slow, it will be very important to recognize the dangers of the narcotics trade to U.S. interests and to a democratic and peaceful transition. The nature of the transition will determine what U.S. Government policies will be most appropriate, but several deserve careful thought and planning.

Cuba will quickly need to establish an effective, honest and democratic police force. The best that can be said about the current security services in Cuba is that they are effective. Little seems to be known about corruption in the security services, but it is probably safe to assume that its members, as most Cubans, regularly participate in the informal markets and engage in petty

1. Misha Glenny, *McMafia: A Journey through the Global Criminal Underworld* (New York: Knopf, 2008).

2. Randy Beardsworth did not submit his remarks for the proceedings, but his views are well presented in a very original paper, "US-Cuba Functional Relationships: A Security Imperative" in *Nine Ways for Us to Talk to the Cubans and for They to Talk to Us* (The Center for Democracy in the Americas, 2009). Available at <http://democracyinamericas.org/9-ways-us-talk-cuba-and-cuba-talk-us-new-report>.

corruption. If the Cuban authorities request assistance and if it were possible to work with some of the security agencies without supporting or increasing political repression, we should do so. We should not repeat our mistakes in Iraq by insisting, as required by the Helms-Burton Act, on the abolishment of all security and police forces.

We will also need to focus on the criminal justice system. Again, there is likely to be a structure a future government can use. At least one academic study and my own conversations with recent exiles suggest that the criminal court system, when not used for political purposes, is reasonably efficient and fair, although far from perfect.³ Cuban law already allows an advocacy system, although it is underused.

We should also try to ensure that any democratic police force is adequately funded and its officers are well paid. As economic growth returns to Cuba, there will inevitably be greater inequality of income distribution. That in turn will breed jealousy and resentment. A necessary, if not sufficient, condition to discourage corruption in the governmental bureaucracy is to ensure that its members are respected and well paid.

For more global targeting we will need to focus on the entire Cuban economy. As the police state begins to disappear, the population will need jobs and a sense of growing prosperity. Without the latter, corruption, illegal immigration and narcotics smuggling will all increase rapidly. This, of course, was a major problem in Russia following the collapse of the Soviet system. Unfortunately, we cannot solve this problem simply with money.

The virtually universal experience of stimulating development over the past sixty years has made clear that growth starts with a policy environment that lets private entrepreneurship flourish, while providing a stable macro-environment. We should encourage such an environment, but we should also be willing to provide

substantial economic assistance. In my view, several billion dollars per year for four to five years will be required to provide for crucial inputs, rebuild infrastructure and maintain a required social safety net.

FRICION IN POLICY MAKING

In his classic treatise *On War*, Clausewitz writes about the friction of war that can destroy the best of plans. Similar friction is often the rule in foreign policy making.⁴

Even if U.S. policy makers enter the transition period fully cognizant of the dangers of Cuba becoming a new hub of the narcotics trade, I doubt they can prevent it. The first hurdle would be the problematic cooperation of a future Cuban government. In a transition, any Cuban government is likely to include a collection of personalities, competing for influence and guided by different priorities and goals. Certainly, the current dissident groups have no unified view of a future economic policy. Interest groups and ideological concerns among the Cuban public will make developing a rational economic policy difficult.

American foreign policy makers will have to make tough decisions amidst a great deal of uncertainty. How much economic assistance will we be willing to give if some necessary economic reforms are not undertaken? How long—if at all—will we be willing to support the social safety net? What are the new Cuban leader's intentions? Who are the good guys? What support can we give if some human rights abuses continue? Can we tolerate economic reform coming before political reform? Can the American interagency process make timely decisions? Will Congress and the American public go along? How much political capital will the U.S. President be willing to spend? My own guess is the transition process is going to be long, messy, and provide numerous opportunities for the development of the narcotics trade.

3. James H. Manahan, "Improvements in the Cuban Judicial System" in *Cuba: In Transition? Pathways to Renewal, Long-Term Development and Global Reintegration*, Mauricio A. Font, editor, with the assistance of Scott Larson (New York: Bildner Center for Western Hemispheric Studies, 2006). Online edition available at <http://web.gc.cuny.edu/bildnercenter/publications/documents/Manahan18.pdf>. This conclusion is this author's after a discussion with Manahan on the topic, following his presentation. His paper only indirectly addresses the issue, but provides a good analytical look at the Cuban system.

4. Carl Von Clausewitz, *On War* (Princeton: Princeton University Press, 1989).

This does not mean we should abandon hope. There are many reasons to believe that Cuba will eventually emerge from its transition with a strong economy and a democratic government, even if the drug trade becomes an endemic problem.

THINKING ANEW

There is, however, a possible solution to this rather bleak picture, one we can find at home rather than in Cuba. Sometimes by trying to protect people from themselves, we simply create more problems. As a nation, that was the conclusion we reached when we repealed prohibition.

Perhaps by changing our drug laws, we could save Cuba and ourselves a great deal of pain. We could legalize marijuana and make cocaine and heroin available under carefully regulated conditions. These changes would take much of the profit out of illegal trafficking and take much of its corrosive influence out of Cuban (and American) society.

The argument against this proposal is that we would be simply trading one evil for another, but before drawing that conclusion, I suggest a look at some numbers.

The London Observer has estimated that the drug wars in Colombia, in just the first half of this decade, cost over 20,000 lives every year. The current drug war in

Mexico has cost 10,475 lives between December 1, 2006 and March 13, 2009.⁵ Another 769 died in June. To these numbers we should add the lives lost in the last thirty years in the twentieth century in Colombia, Mexico, Peru, Bolivia, and the Caribbean.

Back in 2008, Ted Carpenter of the CATO Institute wrote a very perceptive piece on how the drug war in Afghanistan undermines America's ability to achieve our other goals in that country.⁶ I have heard returning military officers argue that we can fight the Taliban or fight opium production in Afghanistan, but we cannot do both.

In comparison, although the numbers appear somewhat fuzzy, annual direct deaths from cocaine and heroin in the U.S. appear to be a little less than ten thousand.⁷ Many of those deaths apparently come from mixing several drugs, while others come from impure supplies or overdoses. Regulation rather than prohibition might actually reduce the number of deaths.

I am not an expert on drug policy and therefore I am not yet prepared to recommend drug decriminalization, but for many reasons it is worth discussion, and it could save Cuba from the narco-trafficking and drug wars that have done so much damage to other states in the region.

5. Kristin Bricker, "Over 10,000 Dead: Is Mexican Drug War violence Ebbing," *The Narcosphere* (April 2007).

6. Ted Carpenter, "Afghanistan's Drug Problem," *National Interest (Online)* December 5, 2008. Available at http://www.cato.org/pub_display.php?pub_id=9824.

7. Richard T. Boylan and Vivian Ho, "Tracking Variations in Cocaine Deaths across Cities," *Addiction Research and Theory* (October 2004), pp. 461–468.