



**ENGAGING CUBA FOR RE-INTEGRATION INTO THE COMMUNITY OF THE
AMERICAS**

**Written Statement of:
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Subcommittee on National Security and Foreign Affairs
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1. RECOGNITION:

- John Tierny, Chairman
- Jeff Flake, Ranking Member

2. GENERAL ORGANIZATION OF STATEMENT:

- There are three dimensions for Cuban political transition – *which will happen*: economic, political, human.

3. POLITICAL DIMENSION:

- Castro regime has lost legitimacy domestically and internationally.
- It is barely surviving and could quickly collapse if the economic lifeline thrown by Venezuelan President Hugo Chavez is withdrawn.
- Authoritarian regime has entrenched itself and controlled instruments (military, economy, courts, law enforcement) of power for 50 years.
- Civil society (academia, church, civic organizations, media, private sector) has been atomized and will have to learn how to participate in pluralistic democratic settings.
- Political transitions from authoritarian to democratic regimes have occurred frequently in Latin America. We know that democracy can successfully be consolidated following decades of dictatorship.
- Challenges in Cuba are enormous. Transitions in Argentina, Brazil, and Chile occurred after a 20-year interregnum. In none of these countries did authoritarian regimes have such a complete hold on power. In just about every country, there was a cadre of political leadership that had prior experience in democratic governance. Cubans will almost have to start from scratch in building the political institutions that are essential to good governance and participative policy making.
- Cubans will have to define their own political systems and determine the pace of transition.
- Outsiders can be supportive. Includes the U.S., Latin American nations, European Union, non-governmental organizations, and multilateral organizations. But Cubans must own and be in charge of the process of determining their future political system and rules of engagement.

4. ECONOMIC DIMENSION:

- The Cuban state has been unable to meet the aspirations of the Cuban people.
- GDP in Cuba is a fraction of what it needs to be in order to meet basic requirements of its people.
- Cabbies, bellboys, and prostitutes routinely make more than doctors and other professionals.
- If Cuban government cannot establish a trajectory of rapid economic growth, Cubans will leave the island in droves (Ted Gurr's political science theory of perceived relative deprivation).
- Cuban GDP/capita will have to reach a level similar to that of Puerto Rico (which depends on USG federal aid (social security, Medicare, Medicaid, food stamps, transfer payments, federal positions, federal retirements, etc.) in order to have immigration equilibrium. PR GDP/capita is approximately 80% of U.S. GDP.
- Economic activity in Cuba will have to be approx. \$200B/year in order to reach equilibrium status quo. Present GDP is approximately 25% of what it needs to be.
- Tremendous infrastructure implications:
 - Cuba's infrastructure (water, power, rail, transit, ports, airports, highways, residential and non-residential real estate) is inadequate to the island's present and future requirements.
 - It will require massive infusions of capital, planning, and program management and construction know-how.

- Could be \$5-10B/year for 5-10 years.
- International donor community will not provide significant funds.
- Private sector will be unwilling to invest absent high confidence on a secure return on investment.
- By default, will likely have to be USG that provides lion's share of investment (if we don't we could see a million Cubans headed to Florida).
- Big economic opportunities for U.S. firms. Marshall Plan like economic assistance program could create new, large, sustainable markets for U.S. goods (e.g. construction equipment, trucks, cars, buses, aircraft, durable goods, generators, etc.). If we don't fill this space, someone else will.
- Other nations are well positioned to help with infrastructure and construction programs: Spanish firms and others who have been investing in tourism sector:

5. HUMAN DIMENSION:

- There were 35,000 people of Cuban descent in the U.S. prior to the 1959 revolution.
- Today there are 1.2M, constituting the 3d-largest group of Hispanic-Americans after Mexicans and Puerto Ricans. Ratio of Cubans in Cuba to Cubans in the USA is approx 10:1.
- Number of people of Puerto Rican heritage in the USA is approximately 4M -- about same number as the population of the island (4M).
- 125,000 Cubans came to the U.S. during the Mariel boatlift of 1980, causing severe strain in South Florida and requiring temporary refugee facilities in locations as far away as Fort Chaffee, Arkansas and Fort McCoy, Wisconsin.
- A transition could result in a massive wave of migrants which could overwhelm federal at-sea interdiction capabilities and receiving communities in Florida.
- Our government needs to be realistic in its assessments of the potential humanitarian effects of regime change and what our response will be.
- We can't have Katrina-like unpreparedness.
- Best case outcome for U.S. is if Cubans decide that there is a viable economic future for them on the island and remain there to build the requisite political, social, and economic institutions that will result in a prosperous economy and standard of living – a situation similar to contemporary Puerto Rico.
- Worst case scenario is that political system in Cuba fails to deliver and Cubans leave in droves (as Haitians do & residents of the Dominican Republic do).

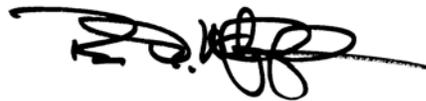
6. OTHER CONSIDERATIONS:

- Potential for corruption – as authoritarian government cedes control new space will be created and could be exploited (example - Post USSR Russian mafias).
- Drug Trafficking. Caribbean used to be the vector for about 50% of cocaine from Colombia. Now 90% goes through Mexico. We'll have to work with Cuban government and security forces to prevent drug traffickers from seeking to establish a foot hold in Cuba.
- Cuban Armed Forces. Generally professional. Role, mission, organization, and size will likely change to reflect new Cuban reality. Mil-to-Mil relations between U.S. and Cuba military can play a positive role. Example of SOUTHCOM engagement with Latin militaries (humanitarian, disaster relief, human rights).
- Unresolved issues from 50 years ago:
 - Abuses of present regime – plenty of examples in Latin America for how to deal with past abuses (e.g. Argentina, Brazil, Chile, Peru). Past can't be swept under the rug. Reconciliation and justice, where appropriate and feasible, are essential.

- Property expropriations – plenty of examples in formerly communist eastern Europe on how to resolve old property disputes. All sides have to be dispassionate and realistic. Could require 3d-party resolution.
- Strengths of Cuban society:
 - One people. While ethnically diverse they are proud of their culture and history. Schisms such as we see in Iraq are not present.
 - Education. Well educated. Good human building blocks.
 - Industrious. The example of Cuban-American entrepreneurial effort. Business sector will likely quickly self-organize and be essential to economic vitality.
 - Health Care System. Better than just about any other Latin American nation.
 - Familial links to Cuban-Americans in the U.S. – these will be enormously beneficial to economic, social, and political growth.

7. CONCLUSION:

- The people of Cuba need to determine their own future.
- U.S. Government role will be important and must be supportive. We should start now by rapidly lifting the embargo. This will be a catalyst for political change.
- Our technical experts can be helpful but they must work in partnership with capable Cubans and play a supportive role.
- Cuba will reassume its place in the international community. We must recognize that it will have political, economic, and social relationships with multiple nations.
- In the end, a broadly cooperative approach will be healthier for Cuba and for longer-term U.S.-Cuban relations.
- Multilateral lending organizations like the International Monetary Fund, the World Bank, and Inter-American Development Bank will make enormous contributions.
- Government-to-government relations and accords will likely not be the centerpiece of future U.S. – Cuba dialogue. We must make space for civil society right from the start as we reengage with Cuba.



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