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Cuba After the Castros

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As expected, Cuban President Raúl Castro stepped down from power on April 19, 2018, and the communist government's 605-member National Assembly of People's Power selected First Vice President <u>Miguel Díaz-Canel</u> <u>Bermúdez</u> as president of the Council of State. Pursuant to <u>Cuba's Constitution</u> (Article 74), the president of the Council of State is also Cuba's head of state and government. Castro, currently 86 years old, just finished his second five-year term as president. He will remain in his position as first secretary of the Cuban Communist Party (PCC), which could give him continued influence over government policy.

<u>Díaz-Canel</u>, who turned 58 a day after becoming president, had served as first vice president since 2013, which made him the official constitutional successor in case Castro could not fulfill his duties. Díaz-Canel's appointment represented a move toward generational change in Cuba's political system. An engineer by training, Díaz-Canel became a member of the Politburo, the party's highest decisionmaking body, in 2003, held top PCC positions in two provinces, and served as higher education minister.

Although some analysts believe Díaz-Canel to be a moderate and potentially more open to reform, a <u>leaked video</u> from August 2017 appears to contradict that characterization. The video shows him speaking at a closed Communist Party meeting earlier in the year strongly criticizing dissidents and independent voices (including those arguing for political reform), criticizing the expansion of Cuba's private sector, and characterizing U.S. efforts toward normalization under President Obama as an attempt to destroy the Cuban revolution. Some observers speculate that Díaz-Canel's rhetoric could have been aimed at increasing his acceptance by so-called hard-liners in Cuba's political system who are more resistant to change.

Significance of the Political Transition

Cuba's political transition is the first time since the 1959 Cuban revolution that a Castro is not in charge of the government. A majority of Cubans today have lived only under the rule of the Castros. Raúl had ruled since 2006, when Fidel stepped down because of poor health. Raúl served as president provisionally until the National Assembly officially selected him as president in 2008. Raúl's departure can be viewed as a culmination of the generational leadership change that began several years ago in the government's lower ranks.

Another notable aspect of the transition is that it is the first time Cuba's head of government will not be the leader of the PCC. Although separating the roles of government and party leaders could elevate the role of government institutions

over the PCC, Raúl Castro has indicated that he <u>expects Díaz-Canel to take over as first secretary</u> of the PCC when Castro's term as party leader ends.

Another important element of the transition is the composition of the new 31-member Council of State. The National Assembly selected 72-year-old <u>Salvador Valdés Mesa</u> as first vice president. He is not from the younger generation but also not from the historical revolutionary period. Valdés Mesa, who already has been serving as one of five vice presidents and is on the Politburo, is the first Afro-Cuban to hold such a high government position. Of the Council of State's members, <u>45% are new</u>, <u>48% are women</u>, and <u>45% are Afro-Cuban or mixed race</u>. Several older revolutionary-era leaders remain on the council, including Ramiro Valdés, aged 86, who continues as a vice president.

Looking ahead, an important question will be the extent of influence that Castro and other revolutionary figures could continue to have on government policy. Some observers believe Raúl will maintain a role in the decisionmaking process, especially since he will head the PCC until 2021. Reports indicate, however, that Castro will retire to the city of Santiago in eastern Cuba, away from the capital of Havana, where he likely would have less opportunity to influence policymaking.

Challenges for Cuba's Next President

Although most observers do not anticipate immediate major policy changes under President Díaz-Canel, his government will face two enormous challenges—reforming the moribund economy and responding to desires for greater freedom.

Raúl Castro managed the <u>opening of Cuba's economy to the world</u>, with diversified trade relations, increased foreign investment, and a growing private sector (about <u>580,000 workers</u>, or 12% of the workforce, at the end of 2017). Yet the slow pace of economic reform has stunted economic growth (0.5% in 2016 and an estimated 0.9% in 2017) and disheartened Cubans yearning for more economic freedom. Over the past year, the government appeared to backtrack by restricting private-sector development and <u>slowing reforms</u>. In 2013, the government announced it would end its dual-currency system, which creates economic distortions, but <u>currency unification</u> has been delayed in large part because of concerns about inflation and its related social impact. A challenge for Díaz-Canel will be moving forward with economic reforms <u>opposed by some conservative elements</u> in the party and state bureaucracy.

Few observers expect the next government to ease its tight control over the political system, at least in the short to medium term, but the government will need to contend with <u>increasing calls for political reform and freedom of</u> <u>expression</u>. The liberalization of some individual freedoms that occurred under Raúl Castro (such as legalization of cellular phones and personal computers and expansion of internet connectivity) has increased Cubans' appetite for access to information and desire for social and political expression. More broadly, if the next government continues to repress political dissidents and human rights activists, it will remain a point of contention in Cuba's foreign relations.

At this juncture, Cuba's transition to a post-Castro era likely will not affect relations with the United States, but in the future, it could lessen the antipathy of some opposed to normalizing relations. Although the Trump Administration has partially rolled back some of the Obama Administration's actions to normalize relations with Cuba, many Obama-era policy changes remain in place. Human rights in Cuba have been a long-standing U.S. interest, particularly for many Members of Congress. The Díaz-Canel government's progress in improving Cuba's human rights record could be a key determinant for additional U.S. actions normalizing bilateral relations.

Also see CRS In Focus IF10045, <u>Cuba: U.S. Policy Overview</u>, and CRS Report R44822, <u>Cuba: U.S. Policy in the 115th</u> <u>Congress</u>.