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## **Cuba Gains Affiliation and Loses Funds**

*by LADB Staff*

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On July 19, European Union (EU) Trade Commissioner Pascal Lamy announced that the EU would not include Cuba in an aid agreement adopted at Cotonou, Benin Republic, in June 2000 (see CubaSource, 2000-10-20). The EU has demanded that Cuba make certain political changes as a condition for receiving Cotonou benefits. Lamy made the announcement during a meeting in Fiji of the Africa, Caribbean, and Pacific (ACP) group. ACP is an organization of 78 former European colonies including Cuba which are eligible to receive US\$12.7 billion worth of EU aid and trade preferences through the Cotonou Agreement.

Cuba's Interior Minister Ricardo Cabrisas, who led the Cuban delegation at the Fiji meeting, called Lamy's announcement "a slap in the face for Cuba." The preconditions demanded by the EU are grounded in a 1996 EU resolution (Common Position) that supports US policy on changes in Cuba even as the EU repeatedly condemned the Helms-Burton Act (see NotiSur, 1996-06-07). Freezing Cuba out of the Cotonou benefits is an example of the EU's contradictory Cuba policy, driven partly by economic interest in Cuba and partly by cooperation with US demands on Cuba.

In May 1998, then President Bill Clinton, British Prime Minister Tony Blair, and European Commission President Jacques Santer announced an accord under which the US pledged not to enforce a provision in the Helms-Burton Act that would punish EU companies that do business in Cuba using expropriated properties. The agreement ended an EU threat to take its complaint against the extraterritorial aspects of Helms-Burton to the World Trade Organization (WTO) dispute panel. The agreement freed EU members to continue investing in Cuba, but also had the effect of internationalizing the US sanctions strategy against investment in expropriated properties, not just in Cuba, but anywhere in the world.

It goes further than Helms-Burton by prohibiting EU governments from assisting companies that invest in countries with an "established record" of illegal expropriation. It also obliges the EU to track and suppress investments in expropriated properties worldwide (see EcoCentral, 1998-06-04). Since the 1998 agreement on Helms-Burton, the US has refrained from enforcing the law against EU members, and the EU has continued its policy of demanding democracy in Cuba, while at the same time carrying on with trade and investment deals there.

### ***Tensions develop over EU's Cuba policy***

Tensions developed between the EU and Cuba after 1998 because of EU capitulation on Helms-Burton and because of EU votes in favor of resolutions against Cuba before the UN Human Rights Commission in Geneva (see CubaSource, 2000-05-10). Cuba-EU relations moved toward reconciliation in 2001, and, by the end of that year, a dialogue was "back on track," as the BBC described it. Cuban and EU representatives reported positive results and progress toward resolving the stalemate over Cotonou during meetings in Havana.

But in June 2002, Spanish Foreign Minister Josep Pique said the EU stood fast on its Common Position, citing "lack of evolution of the Cuban political regime." Pique said the EU would try to encourage "a democratic transition," while doing "everything possible to improve the living conditions of Cuban citizens and create the bases on which, in time, that political transition toward democracy will be possible." Cuba has unique status in ACP Cuba participated in ACP meetings as an observer beginning in 1998, but in April 2000 withdrew its application for membership after the EU votes in Geneva.

Cuban Foreign Minister Felipe Perez Roque said Cuba withdrew because of "arrogance, smugness, and the tendency on the part of various European countries to impose conditions on Cuba." Cuba dropped its objections to membership within a few months and became an ACP member in December 2000 (see CubaSource, 2001-01-12). Both Cuba and the ACP saw the vote to include Cuba as a declaration of independence from the EU.

Cuban Ambassador in Belgium Rene Mugica said the vote showed that Cuba was not isolated and that ACP membership was important because it was separate from Cuba's relationship with the EU. Cuba clearly chose membership and closer ties with the ACP countries over its share of the US\$12.7 billion in Cotonou aid. But the terms of Cuba's admission are peculiar.

The EU gave in to Cuba's demand for membership without the human rights and democracy conditions. But because those conditions are the price of entering the Cotonou Agreement, Cuba refused to take part in negotiating the pact or to join it after its adoption. The EU then used Cuba's absence from the Cotonou Agreement to argue that it had to be a candidate for inclusion to attend ACP ministerial meetings. Cuba's unique position as the only ACP member left out of the Cotonou Agreement has raised serious questions about what membership in the organization means.

At a ministerial meeting in December 2001, ACP members approved a resolution asking the EU to review the Common Position and to "treat Cuba in a fair and impartial manner" and allow it to participate in the Cotonou Agreement without "special and unfair conditions." ACP Secretary General Jean-Robert Goulongana argued that the EU could not require that the Common Position conditions be applied to Cuba before it enters the Cotonou Agreement, nor can the EU impose "preconditions applicable to that country alone." Both Cuba and the ACP claim that the same conditions are not applied to other member states.

Giving in to the Common Position conditions now would be unconstitutional. One of the constitutional changes the Cuban National Assembly approved in June (see NotiCen, 2002-07-11) says that economic, political, and diplomatic relations can not be negotiated "under aggression, threat, or pressure from a foreign power."

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