The Inhumane Side of Geo-Political Sanctions as Western Union Exits Cuba

The Associated Press on November 24, 2020 carried the story of Western Unions exit from Cuba. Its opening salvo read "Western Union closed its 407 locations across Cuba on Monday, a sanctions-driven move that will leave thousands bereft of remittances on an island that depends heavily on them — or force them to use less reliable ways to bring in money."

Sanctions are used by countries to advance their geo-political agendas. The United States of America is likely the most prolific, outside of the United Nations, in the use of geo-political sanctions aimed at advancing its foreign policy agenda. Since 1962, Cuba has been under a comprehensive economic embargo, initiated under the Presidency of John F. Kennedy. Since then, a glimmer of hope arose in Cuba/US relations during the second term of the Presidency of Barack Obama. This saw President Obama and President Raul Castro taking steps to improve US relations in December 2014. Subsequent measures taken by the Obama Administration included lifting travel restrictions, along with those affecting exporting and importing of goods, and the removal of Cuba from the US State Sponsors of Terrorism list. These efforts by the Obama Administration were however to be short lived, as the Administration of President Donald J. Trump subsequently moved to re-establish the status quo after the 2016 Presidential Elections. Western Union's exit from Cuba is one example of the Trump Administration's intensified sanctions approach against the Cuban regime.

Updated Sanctions

Accessible via the US Department of State website, are the various Cuba related Sanctions in effect against Cuba. Two of the most recent releases from the department highlights the extent to which US Sanctions continues to adversely affect, more extensively, the people of Cuba, beyond the smaller group of state actors and entities to which the Sanctions are more aptly aimed. Western Union's exit from Cuba was spurred on by the United States restricting "remittances and "U-Turn" Transactions to Cuba" as per Media Note published via the US State Department's website, dated September 6, 2019. The nail in the coffin for remittances to Cuba was outlined in the first paragraph of the media note. It read, *"Going forward, U.S. persons are no longer allowed to send family remittances to close relatives of prohibited officials of the Government of Cuba or close relatives of prohibited members of the Cuban Communist Party. U.S. persons will also no longer be allowed to send donative remittances, or remittances regardless of familial relationships, to Cuba."* The release goes unto to quote Security Advisor Bolton as saying, "*we know that families in the United States want to help their loved ones in Cuba, and we want Cubans to get the support they need and deserve…we know that these remittances are critical to families." For this reason, remittances to support family members are permitted up to $1,000 per quarter per person, and remittances to private businesses, human rights groups, religious organizations, and other self-employed individuals operating in the non-state sector are authorized with no cap at this time.*

The latest updated Sanction against Cuba published by the State Department by Press Statement on September 23, 2020 was titled "Announcement of the Cuba Prohibited Accommodations List." In this iteration, *"The Treasury Department's Office of Foreign Assets Control (OFAC) announced regulatory changes today to the Cuban Assets Control Regulations (CACR) restricting certain transactions related to lodging at properties identified on the CPA List. The Treasury Department's Office of Foreign Assets Control (OFAC) announced regulatory changes today to the Cuban Assets Control Regulations (CACR) restricting certain transactions related to lodging at properties identified on the CPA List."*

Embargo/Sanction Effects

Writing for Huffpost.com in an article entitled "Effect of Cuban Embargo" Maurice Jourdane quoted from a Memo said to have originated from a Senior State Department official. It read, "*a line of action that makes the greatest inroads in denying money and supplies to Cuba, to decrease monetary and real wages, to bring about hunger, desperation and the overthrow of the [Castro] government*." In these words, lie the inhumanity of sanctions. Whilst perpetrated to achieve geo-political outcomes, they are at heart inflicting suffering on the entire population, beyond those who occupy state powers, and towards whom the sanctions are aimed to force a change in political or ideological leanings.

There appears to be a contradiction in the sanction update which has resulted in Western Union's exit from Cuba. On the one hand, the US is indicating that U.S. persons will no longer be allowed to send donative remittances, or remittances regardless of familial relationships, to Cuba, while on the other hand indicating that remittances to support family members are permitted up to $1,000 per quarter per person. The former seems to invalidate the latter. Arguably the exit of the only remittance entity operating in Cuba confirms the apparent confusion of the sanction measure, and further illustrates an example of de-risking, a strategy employed by financial institution to manage their sanctions, money laundering, terrorist financing and proliferation risks. Western Union has effectively de-risked their operation from the Cuban market because of crippling sanction measures which the United States continue to heap upon the people of Cuba.

Whilst economic data that would give an indication of Cuba's reliance on remittances was not available, given the controlled nature of the economy and depressed salaries offered by the communist regime to workers, it is reasonable to conclude that remittances provide a necessary source of income for families in Cuba. The ripping away of this lifeline for many will no doubt ensure that hunger and desperation continue to plague the Cuban people. This serves as a stark contrast of support, for the people of Cuba from the United States. After 60 years of embargo, the result of economic oppression is evident in all aspects of Cuban life. A society stuck in time, the 1950's, while the rest of the world advances industrially and technologically.

Notwithstanding 60 years of hardships spurred on by United States Sanctions, Cuba continues to survive, though not thriving. With the glimmer of hope of a new dawn for US/Cuba relations dashed with the Obama Administration leaving office in 2016, Cubans will be hoping that with the Trump Administration out the door, the sun will rise again through the Biden Administration for improved relations. This remains to be seen. It is apparent however that many in the halls of power within the U.S. are determined to persist with what could arguably be considered a failed strategy, which has yielded no tangible and worthwhile result after 60 years, except for possibly appeasing the Cuban American vote and leaving Cuban and the Cuban people stuck in time industrially and technologically.

If Mr. Jourdane's reporting holds true, it is curious how much longer the "hunger and desperation of Cubans" will be courted, in the hope that the political class yields to the geo-political dictates of America. Unfortunately, it appears that under the Trump Administration and many others prior to his, American foreign policy operates from a position of the ends justifying the means. If we consider the recent immigration policy of separating children from parents at the borders, housing them in cages and the subsequent revelation that Parents of 545 Children Separated at the Border Cannot be Found, as reported in the New York Times (October 21, 2020), we see a pattern of inhumanity at play. Western Unions exit from Cuba is but another example of the inhumane outcome of sanctions on an entire country, depriving a vulnerable population of lifeline remittances needed to stay afloat, cornering financial institutions into de-risking their operations to mitigate their sanctions risk.

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