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## The Unmaking of an Embargo: How Policy Entrepreneurs at the Individual, State, and National Levels are Creating New Paths for Policy Change in Modern United States-Cuba Relations

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The Unmaking of an Embargo: How Policy Entrepreneurs at the Individual, State, and  
National Levels are Creating New Paths for Policy Change in  
Modern United States-Cuba Relations

A Dissertation

Submitted to the Graduate Faculty of the  
University of New Orleans  
in partial fulfillment of the  
requirements for the degree of

Doctor of Philosophy  
in  
Urban Studies  
Urban Planning

by

Kyle Griffith

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## Abbreviations

<b>Term</b>	<b>Meaning</b>
ALBA	Bolivarian Alliance for the Peoples of Our America
ASEAN	Association of Southeast Asian Nations
AMH	America's Marine Highway
BLS	Bureau of Labor Statistics
CACR	Cuba Assets Control Regulations
CARICOM	Caribbean Community
CDA	Cuban Democracy Act
CIA	Central Intelligence Agency
CMEA	Council for Mutual Economic Assistance
CUC	Cuban Convertible Peso
CUP	Cuban Pesos (Moneda Nacional)
DHHS	Department of Health and Human Services (US)
DOL	Department of Labor (US)
DOT	Department of Transportation (US)
DR-CAFTA	Dominican Republic-Central America Free Trade Agreement
ETECSA	Empresa de Telecomunicaciones de Cuba S.A.
EIA	Energy Information Administration (US)
EU	European Union
FAA	Foreign Assistance Act
FCC	Federal Communications Commission
FHWA	Federal Highway Administration
FDA	Federal Railroad Administration
FTZ	Foreign Trade Zone
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
IBRD	International Bank for Reconstruction and Development (now World Bank)
ICC	Interstate Commerce Commission
IFFCBANO	International Freight and Customs Brokers Association of New Orleans
IMF	International Monetary Fund
IRB	Institutional Review Board
1) LMRR	2) Lower Mississippi River Region
MARAD	Maritime Administration (US)
MAP-21	Moving Ahead for Progress in the 21st Century Act (US)
MSA	Multiple Streams Approach
NAFTA	North American Free Trade Agreement
NNP	Net National Product
NIH	National Institutes of Health
NOLABA	New Orleans Business Alliance
NTT	New Trade Theory
OAS	Organization of American States
OECD	Organization for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
OSHA	Occupational Health and Safety Administration
PI	Principal Investigator
PTA	Preferential Trade Agreements
QUAL	Qualitative
QUAN	Quantitative



SSS	Short Sea Shipping
TRB	Transportation Research Board
TSRA	Trade Sanctions Reform and Export Enhancement Act
TWEA	Trading with the Enemy Act
UK	United Kingdom
UBPC	Unidades Básicas de Producción Cooperativa
US	United States
USAID	US Agency for International Development
USDA	United States Department of Agriculture
USDOC	United States Department of Commerce
USITC	United States International Trade Commission
WHO	World Health Organization
WTO	World Trade Organization
WWII	World War II

## Abstract

Throughout the Cold War antagonisms of the twentieth century, the United States (US) championed greater global economic cooperation and an embrace of free market principles to encourage economic growth. Post World War II, passage of the Bretton Woods Agreement institutionalized this political agenda effectively establishing the rules of global commerce. The result has been increased economic participation and trade liberalization. One of the last remaining vestiges of Cold War hostility and impediments to trade is the US economic embargo of Cuba, in place since 1960. Increasingly seen as a policy failure, the US has taken steps in the past two years to normalize relations with Cuba. At the same time, after extended conflicts in Afghanistan and Iraq, economic recession, and political polarization over the last fifteen years the US finds itself in a position of ambiguity towards additional foreign commitments. American efforts to open Cuba to two-way commerce serve both national security and economic foreign policy agendas. For Cubans, removal of the embargo represents an opportunity for normal relations with the world's largest economy and access to capital and markets that come with it. The purpose of this study is to test the theory political economy, which attempts to understand society through the intersection of economic, political, and social functions, using US-Cuba diplomacy as a case study (Yin, 2009). Working within a multiple streams framework, the investigator examined how economic policy is changed under politically ambiguous conditions through a series of 20 semi-structured qualitative interviews and content analysis of secondary data sources (Zahariadis, 2014). Specifically, the study explored the behavior of interested individuals from the US and Cuba, so-called policy entrepreneurs, and their influence on the policymaking process during an open policy window. Research results suggest that policy entrepreneurs operate at the individual, state, and national scales of society using a variety of symbols to create and broaden opportunities for policy change. Across all three levels, US and Cuban policy entrepreneur's behavior is guided by the search for rationality in ambiguous times, but their agency is bounded by the institutionally determined parameters of what is legally and politically acceptable.

Key Words: policy entrepreneurs, Cuba, public policy, economic development, freight transportation

## Chapter One

### Introduction

February 28<sup>th</sup>, 2016 was a hot and sunny day in the Cerro neighborhood of Havana as street repairmen worked feverishly to repair the stretch of Avenida 20 de Mayo leading up to the Estadio Latinoamericano (Figure 1); the site for an exhibition baseball game between the Tampa Bay Rays and the Cuban national team, just three weeks away (Figure 2). Not only did this game represent a gesture of good will between the two countries, on the street, word spread quickly that President Obama was going to be in attendance and would likely throw out the first pitch. Just the mention of his name brought smiles across the faces of onlookers and passersby. Along the street, paint crews worked just as hard scraping off old and worn exteriors and replacing them with generous amounts new paint from one of the many grey cans lining the sidewalk (Figure 3). This was the first time a sitting US president was going to visit the island of Cuba in over 80 years and if ever there was a time to make a good impression, this was it.

In listening to the Cold War rhetoric of the 1960s, it seems a miracle that the United States (US) and Cuba have come this far in the process of normalizing diplomatic relations. A different Castro is in charge but little in the way of political reform has been made to expand democratic freedoms for average Cuban citizens. The term *average Cuban citizens* is used here to refer to those Cubans who do not hold upper level positions in the government, which garner political, economic, and social favor in Cuban society.



**Figure 1 Street repair crews fixing Avenida 20 de Mayo in Cerro neighborhood of Havana, Cuba (Griffith, 2016)**



**Figure 2 Estadio Latinoamericano, baseball stadium in Havana, Cuba (Griffith, 2016)**



**Figure 3 Paint crews at work on Avenida 20 de Mayo (Griffith, 2016)**

Historically, the US and Cuban economies have been intrinsically linked due to their close geographic proximity and resource rich lands. The Cuban revolution of 1959, the subsequent imposition of US economic sanctions, military actions, and antagonistic political rhetoric has strained this once close relationship. A review of each country's economic fortunes over the last 100 years provides insight into the political aspirations of America to expand its international standing and political influence, and Cuba in search of genuine and lasting national independence.

Throughout the Cold War antagonisms of the twentieth century, the US championed greater global economic cooperation and an embrace of free market principles to encourage economic growth. Post World War II, passage of the Bretton Woods Agreement institutionalized this political agenda effectively establishing the rules of global commerce. The result has been increased global economic participation and trade liberalization. One of the last remaining vestiges of Cold War hostility and impediments to trade is the US economic embargo of Cuba, in place since 1960. Increasingly seen as a policy failure, the US has taken steps in the past two years to normalize relations with Cuba. At the same time, after extended conflicts in Afghanistan and Iraq, economic recession and political polarization over the last fifteen years the US finds itself in a position of ambiguity towards additional foreign commitments.

The relative economic stability of energy producing and consuming nations, specifically related to oil and natural gas, influences the flow of commodities around the world. The US, a major global oil supplier in the nineteenth and early twentieth centuries saw its position shift from energy producer to consumer over the last 60 years as its economy grew a rapid pace. At the onset of the twenty-first century, American oil and natural gas production resurged via widespread use of hydraulic fracturing (frac'ing) extraction techniques. From a national security

perspective this newfound production capability meant less American reliance on foreign oil exporters from countries like the original member nations of the Organization of Petroleum Exporting Countries (OPEC), Iraq, Iran, Saudi Arabia, Kuwait, and Venezuela. US Gulf Coast states house approximately 46 and 50 percent of national oil and natural gas refining capacity, respectively, and as such now represent a major import and export hub attracting global freight flows (EIA, 2015). The close geographic proximity of Cuba to the US and its low-wage workforce composition makes Cuba a likely recipient of a portion of current and future Gulf commerce. The main hindrance to this shift in freight flows is the US embargo of Cuba.

Cuba represents a unique opportunity for the US to alter its foreign policy agenda in the Gulf of Mexico, and the ongoing normalization of relations is removing barriers to increased cooperation. This builds upon past joint efforts focused on eliminating illegal drug trafficking through territorial waters. Given Cuba's capability to disrupt US-Latin American-Caribbean trade and its prominent position in the Bolivarian Alliance for the Peoples of Our America (ALBA) organization supporting socialist governments, it's in US' political and economic interest to cultivate a constructive working relationship (Piccone, 2015, p. 8). Economically as a result of the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA), the US is already the fourth largest exporter to Cuba consisting of unprocessed agricultural products and raw forestry material.

Freight is defined here as any good or commodity (container, bulk) carried via multiple modes of transport (barge, ship, rail, truck), commonly referred to as "intermodal" transport. According to the Transportation Research Board (TRB) Committee on Intermodal Freight Transport, intermodal is defined as the use of two or more modes to move a shipment from origin to destination (DeWitt & Clinger, 2000). Freight movements and their supporting logistics

industries are a crucial element of Gulf coast economies, particularly those connected to the Mississippi River, one of the major gateways into the US market.

The Lower Mississippi River region (LMRR) is the largest port complex in the US by tonnage and as such is a significant node in global supply chains through the Gulf of Mexico. This region houses five ports: Baton Rouge, New Orleans, Plaquemines, South Louisiana, and St. Bernard and it is one of America's oldest commercial centers (Big River Coalition, 2014). Pre-embargo, the LMRR and Cuba were strong trade partners in the exchange of goods and people. Robins and Trujillo (1999) estimated that one third of the all cargo handled by the Port of New Orleans pre-embargo was destined for Cuban markets.

As port cities, New Orleans and Havana struggle with balancing new trade growth through economic development while maintaining active tourism sectors. Fitzgerald and Leigh (2002) argue that economic development strategies should strive to increase standards of living, reduce inequality, and encourage sustainable resource use and production. Due to the significance of freight transportation to these regional economies, it is necessary to understand how changing international and domestic politics affects freight flows and subsequently quality of life and economic development at the local level.

#### *Research Problem*

As Cubans have endured 55 years of embargo with minimal ideological change at the national level, the efficacy of US sanctions as a tool for achieving political cooperation are called into question. The coinciding speeches from US President Barack Obama and Cuban President Raúl Castro in 2014 demonstrated a commitment to new efforts in normalizing relations. Since then the leaders of both countries met at the Summit of the Americas in Panama and the US has removed Cuba from their list of state sponsors of terrorism (Siddiqui, 2015). If this trend continues, the US and Cuba will look for additional areas of potential trade beyond agriculture



and forestry products, resulting in changes to freight flows within the Gulf of Mexico. The future of the embargo is in an uncertain state.

Policymakers and policy experts will benefit from understanding how policy actors are influencing the process of reducing economic sanctions. In developing nations like Cuba, which represent the future growth of the global economy (BP, 2015), other factors such as energy security and political leadership may play a larger role in affecting policy change. The Cuban economy is certainly depressed but remains active as a result of recent reforms and the resourceful spirit of the Cuban people who have found to a way to survive.

#### *Purpose of the Study*

The objective of this dissertation is to investigate the influence of policy entrepreneurs from the US and Cuba on the reduction of economic sanctions towards normalized diplomatic relations. At a higher level of generality this study attempts to understand how individuals and organizations re-shape society through policy interventions in political economy. To that end the investigation explores concepts of policy entrepreneurship, power, federalism, national identity, and political ideology. I apply the multiple streams approach (MSA), which describes the process of policy formation, to this case study to evaluate the role of policy entrepreneurs in theories of political economy (Kingdon, 1995; Mintrom, 1997; Béland, 2005, 2009; Mehta, 2011; Baumgartner & Jones, 1993; Birkland, Camilleri, & Warnement, 2014; Zahariadis, 2014). Additionally, this work serves as a form of exchange for American policy networks seeking greater understanding of Cuban society and how average Cubans have adapted to the atmosphere created by their government and US economic intervention.

#### *Dissertation Overview*

The dissertation is organized into six chapters including a review of relevant literature, study methodology, economic history of Cuba, research results, discussion, and conclusions.

Chapter two consists of the literature review covering the following: political economy, the MSA to policy analysis, globalization, neoliberalism, trade agreements, freight transportation and urban development, and national identity in order to construct the theoretical framework for this study. Political economic theory attempts to explain the organization of society through the interaction of economic, political, and social functions. MSA explains how policy entrepreneurs work to couple the problems, policies, and politics streams to create policy windows at politically expedient times. This review describes the impact of trade liberalization strategies on stakeholders in different parts of the world, subscribing to different ideological viewpoints. Freight transportation is the physical expression of trade therefore it is necessary to discuss the benefits and challenges of freight operations in urban areas. The literature on national identity speaks to the development of trade policies in relation to specific societal characteristics. Lastly, I discuss the current state of freight flows in the Gulf of Mexico and the factors affecting further normalization efforts between the US and Cuba.

Chapter three outlines the study methodology comprised of the research questions and research design. The intent of the overarching research question is to understand the behavior of policy entrepreneurs from the US and Cuba on recent actions to normalize relations. Additional sub-research questions address the timing of policy change, specific policy entrepreneur behavior, historical context, and the phenomenon of policymaking in the US and Cuba. The research design is explained in further detail, describing the selection of explanatory mixed methods and its suitability for achieving study objectives.

Chapter four characterizes the Cuban economy at various points in their history starting at the beginning of the twentieth century to present day. This section of the dissertation represents an embedded quantitative review of the Cuban economy. It provides a deeper

understanding of historical commodities exchange and informs identification of potential policy entrepreneurs at present.

Chapter five contains the results of analysis from the qualitative interviews. Findings are organized into three levels of scale: individual, state, and national. Results are combined with participant responses retrieved from interview transcripts in support of the author's claims. Finally, chapter six concludes the study and engages in a deeper discussion of the results.

## Chapter Two

### Literature Review

The US economic embargo of Cuba, the result of a series of political escalations, is a policy in flux. This is a case study of how policy entrepreneurs representing the political, economic, and social spheres of society influence the modern-day policymaking process as represented by discussions of the following: the Bretton Woods Agreement legacy, political economy, globalization, neoliberalism, trade agreements, freight transportation and urban development, MSA, national identity and trade, and freight flows in the Gulf of Mexico. The objective is to increase understanding of individual actor's and/or organization's influence over policy by illuminating their behavior during the last decade of US-Cuba diplomatic relations.

The MSA in analyzing the policymaking process labels these stakeholders as *policy entrepreneurs*, who advocate for a specific policy position through the manipulation of societal institutions. Generally, the political economy literature focuses on modeling the effects of traditional economic development strategies for small, medium, and large state markets covering topics like preferential trade agreements, general trade liberalization practices, and World Trade Organization (WTO) membership. The literature on freight transportation highlights the benefits and drawbacks of freight movements on urban development, an area of particular concern for cities like New Orleans, Havana, and Mariel that are in search of new forms of sustainable economic growth. National identity research examines the process of national identity formation within the context of a globally connected world. This study adds to qualitative explanations of trade policy creation using the MSA, a relevant contribution to the literature on political economy and public policy.

### *The Bretton Woods Legacy*

The Bretton Woods Agreement of 1944 marked a shift in geopolitical strategy for the world's superpowers that placed greater emphasis on trade liberalization than on land acquisition. In past conflicts, the victorious army seized territory, re-structured societal institutions, and extracted value from local resources (labor, environment, culture) forever altering the core of a nation's identity. But the US and its allies chose a different path post-World War II (WWII). Instead of collecting debts from war-torn states, they exacted economic cooperation in a new international system, one built on the commitment to currency conversion and the unrestricted movement of capital between nations. Spero and Hart (1985) described the US' role in this new economic system as threefold: the world's central banker, international policymaker, and goods producer (p. 29). Initially, exchange rates were fixed to gold reserves, but by 1947 the US dollar became the standard valuation, given its convertibility to gold. Along with the concepts of currency conversion and free trade, the General Agreement on Tariffs and Trade (GATT) promoted the principle of non-discrimination in international trade and assured commitments to reduced trade barriers. The Bretton Woods Agreement also established the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) (presently World Bank) to provide banking services for this new economic system. The US held considerable influence in these two institutions that set the terms of development in countries around the world, thereby institutionalizing its 'free trade' political agenda.

By the late 1960's and early 1970's, the costs of maintaining a global economic system, financing a military conflict in Vietnam, expanding social welfare programs, and competing with rising economic powers in Germany and Japan were straining US resources and political attention. And in 1971 the Nixon administration effectively ended the Bretton Woods Agreement

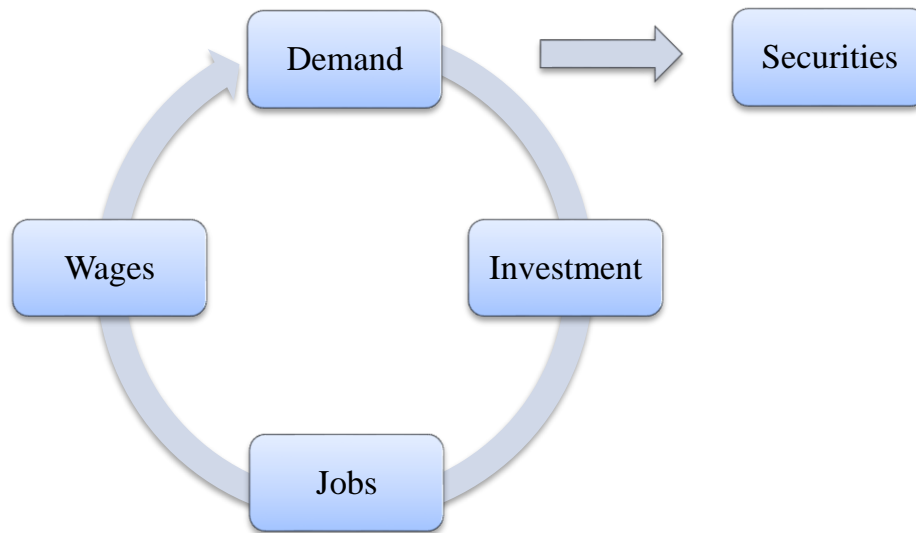
by halting the direct conversion of US dollars to gold, as a reaction to the US' declining economic status (Spero & Hart, 1985, p. 54). The Legacy of Bretton Woods is the expansion of the ways in which nations could pursue domestic interests and foreign policy goals beyond military aggression (Gavin, 1996). Sanctions, embargos and trade agreements, fundamentally political in nature, have become primary tools for managing international relationships thus ensuring the continuing influence of policymakers. The value of theories of political economy is their attempt to explain how politics permeates the economic and social spheres of society at various levels of scale (local, state, national, international).

#### *Theories of Political Economy*

Since the earliest forms of globalized commerce from European merchant's world exploration in the fifteenth century, politics have been intertwined with economic activity and the development of civil society (Wolf, 1982). The term political economy refers to the relationship between the economic, political, and social functions of society (Caporaso & Levine, 1992). In a capitalistic system, political economy characterizes the cyclical influence of demand on new investment, investment on jobs, jobs on wages, and wages on demand as shown in Figure 4.

Increased demand for a product convinces the business that produces it to invest in more staff to supply this new growth; the new staff takes these wages and uses them to purchase goods and services thus supporting demand and the cycle begins again. Securities are financial assets like stocks and bonds that are bought and sold on specific markets. They represent an alternative investment option for increasing value that may not be directly connected to job creation when compared to more traditional forms of investment to grow a business like in infrastructure, equipment, or training. This economic cycle between producers, consumers, and labor can transmit positive or negative trends based on the current state of the economy (expansion or

contraction). The theoretical debate lays in which forces drive the growth or recession of an economy, and in particular the role of state intervention in influencing these cycles.



**Figure 4 Basic model of Capitalism**

This dissertation supports the role for individuals in influencing political economy in a capitalist model. Policymaking is one method to alter the interaction of political, economic, and social functions, referred to here as political economy. American policymakers at the municipal, state, and federal levels are typically accountable to their citizens through elections, which makes them dependent on financial and political support to maintain their positions of power. To retain this support or build upon it, policymakers are susceptible to outside influence from individuals. MSA describes how these individuals, policy entrepreneurs, manipulate the policymaking process for political, economic, and social benefit. In effect, MSA is a framework for understanding the individual role in changing the operation of societal institutions.

#### *Keynesianism*

The Keynesian theory of political economy found widespread adoption by Western nations throughout the twentieth century. This approach viewed the economy as cyclical and

unstable, with periods of growth and contraction (recession) based on the level of demand. In times of low demand for goods and services the overall economy stagnates, growth slows, and unemployment rises. Caporaso and Levine (1992) assert that this represents a market failure from the Keynesian perspective and that the state, as an interested actor, had a responsibility to stabilize the economy at the macroeconomic level through stimulation of demand. This process is referred to as demand management and is accomplished by manipulation of government spending, government borrowing, and taxation. The economic cycle is dependent upon the connection between income and employment where rising incomes translate to increased expenditures on goods and services, which in turn raises demand and business cash flow that can be re-invested into expanding production.

Keynesianism views free markets as structurally flawed and unable to maintain adequate demand, contrary to the concept of the “self-regulating market” introduced in classical theories of political economy. Caporaso and Levine (1992) highlight the tension between the individual accumulation of capital and the productive use of that capital for the public good (demand stimulus). This position was in contrast to the classical and Marxian approaches that stated private capital accumulation would result in increased individual ownership of the means of production and higher societal productive capacity (Marx & Engels, 1978).

From a labor perspective, Keynesianism contended that because production and investment are demand dependent, laborers lack the bargaining power to sufficiently manage employment levels, justifying the need for state intervention. The Keynesian approach is limited by the economic competency of state actors and institutions in demand management efforts. Timing, scale, and scope of intervention are significant concerns influencing the success of each effort. Due to the shift in capital investments from productive capital to financial assets, the



economy became increasingly reliant on financial circulation to earn profits, typically in the form of short-term capital gains. Within this context, Keynes asserted that the power of state intervention was greatest in short-term investment but that the success of such policies was dependent on if the effort was seen as politically or administratively executed (Caporaso & Levine, 1992).

### *New Trade Theory*

New Trade Theory (NTT) is an economic concept that attempts to explain the operation of the global economy based on small differences between trade partners, in this case countries. Tabarrok (2008) argues that NTT is an expansion of the theory of comparative advantage, which purports that within trade between two partners each one will focus on production of the good or service that they can produce at the least cost. The result is that countries can maximize production levels of this good or service and then participate in international trade. Comparative advantages include characteristics like geography and labor force composition.

NTT works within the context of economies of scale in production and says that the reasons for industry specializations occurring in a particular country are not necessarily due to its comparative advantages. Economies of scale refer to the reduction in price of a good as the number of units manufactured increases. Economies of scale promote industry concentration whose location determination is in contention between two forces, the desire for greater access to resources or greater access to large markets. The motivations behind the final determination are often arbitrary. This theory helps to explain why many similar countries with similar comparative advantages trade with one another (Krugman, 1980). Trade between similar economies expands the variety of goods available to consumers while allowing producers to reduce variety of goods produced. Within NTT, government plays the role of initial investor in a

particular industry or location that creates an attractive force for private investment. Furthermore, NTT argues for greater trade liberalization to increase economic growth (Krugman, 2008).

### *Competitiveness of Nations*

Porter's theory of Competitiveness of Nations describes a nation's economic health in terms of its overall industrial productivity. National competitiveness is based on four characteristics, which Porter termed the *national diamond*: 1. factor conditions, 2. demand conditions, 3. related and supporting industries, and 4. firm strategy, structure and rivalry. Factor conditions are split into inherited basic factors (natural resources, location) and created advanced factors (infrastructure, skilled labor). Demand conditions relate to how local demand can strengthen industrial competitiveness abroad. Related and supporting industries refer to the amount of industry clustering and the resulting strength because of the proximity of industry partners. Firm strategy refers to the composition of domestic firms and the need for rivalry between them to spur growth and advancement. Within the national diamond framework the government can influence economic operations through subsidies, industry regulation, education policy, tax policy, and procurement policy (Davies & Ellis, 2000).

Jelinek (1992) asserted that Porter's work had two main distinctions from previous economic theories, the first being that due to the dynamic nature of economies, competitive advantages come and go and that they can only be maintained through continual production increases. Davies and Ellis (2000) critiqued Porter's theory as flawed because of the false equivalence of competitiveness and productivity, the ambiguity of his definition of nation (people versus firms), and his conflation of comparative advantage and competitive advantage. Comparative advantage relates to what industries a nation's economy should support based on available resources, while competitive advantage describes how firms within an industry compete with one another.

From the literature on political economy it is evident that policy entrepreneurs originate from the public and private sectors and take the form of public officials, individual consumers, and industry representatives. Keynesianism highlights the influence of policymakers on stimulating demand for goods and services and increasing the circulation of capital. NTT describes the influence of governments as investment stimulators and consumers as demand stimulators. Competitiveness of Nations focuses on the influence of policy entrepreneurs in government and private industry in affecting national economic performance.

### *Globalization*

Globalization describes the increasing connectedness of international actors and a shift of power towards those economies and corporations that have structured themselves to take advantage of global resources. This restructuring has changed the relationship of labor and markets. Castells (1989) describes the increasing duality within labor markets between the professional and managerial middle class and the urban underclass due to a production shift towards the informational mode of development. The informational mode of development defines productivity in terms of the quality of knowledge, which marks a departure from traditional production of physical goods to production/manipulation of information and data. Castells (1996) argues that the economies of postindustrial cities are being re-organized based on knowledge generation and informational flows, which encourages growth in advanced services industries like finance, law, and telecommunications. Knowledge-based corporation's relationship with labor is fundamentally different than that of manufacturing-based industries in that, "they constitute networks of production and management, whose flexibility needs not to internalize workers and suppliers, but to be able to access them when it fits, and in the time and quantities that are required in each particular instance" (Castells, 1996).

Whereas manufacturing a product has a definite production sequence and requires employees to be physically present at a central location, knowledge-based services have no such spatial requirement or set production sequence. As a result the labor force becomes increasingly disjointed and is forced to accept the terms of work set forth by transnational corporations that lack accountability to any single country (Sassen, 2000).

Castells (1996) describes the economic re-structuring of society based on informational flows between physically disjointed social actors as the *space of flows*. The space of flows concept is made up of three components: technological, geographical, and social. The technological component deals with the role of communications advancements in facilitating the flow of knowledge. The geographical component outlines the spatial organization of nations into nodes (districts centered around the key functions of the network) and hubs (exchange and communication points). The social component centers on a spatial re-organization towards a uniform concept of elite preference (ahistorical, acultural architecture). Urban freight transportation supports the space of flows concept by facilitating the movement of physical goods that underlies the knowledge-based economy.

Wolf (1982) outlines the development of global capitalism in terms of a dichotomy between Europeans (advanced) and non-Europeans (primitive). Here primitive is defined as lacking certain technological advancements. He asserts that capitalism did not create new markets of trade in primitive countries, but it re-structured pre-existing markets to increasingly rely on global supply of goods for survival. And by crafting a history that excludes the contributions of these more primitive societies, historians are distorting reality. Trouillot (2003) asserts that globalization is not a new concept and it has existed since the 16<sup>th</sup> century, but what is new to our time is extreme polarization and inequality.

Technological advancements allow for greater labor productivity and the maintenance of current economic functions with fewer and fewer laborers. Advances in telecommunications have increased the speed of information transfer and consequently the exchange of financial capital. Trouillot (2003) describes this phenomenon as a distortion of both time and space. In addition to financial transactions, this flow of information is used to market a single global culture based on a narrow set of consumer behavior. But according to Trouillot (2003) a contradiction exists between the goals of the market and the people, “the market economy itself prevents the rise of a global market society because human being everywhere have and will have goals that are not market oriented.” Polanyi (1944) raised the same concerns of the antagonistic relationship between a market economy and a market society. A market society requires the commodification of labor, land, and money, which subjects the social aspect of society to the economic (the market). Polanyi (1944) argues that this social subjugation will lead to the destruction of society. Those laborers with privileged access to information flows and the ability to manipulate them, consistently use their power to blur the line between social and economic in maintenance of the status quo that further oppresses other less privileged sects of the labor market.

Young (1990) describes the division of labor with the concept of “respectability” that routinely affords professionals the privilege of or a tendency to acknowledge the value in their ideas and actions. At the opposite end of the labor spectrum, non-professionals must constantly earn “respectability” by demonstrating their worth. In what is referred to as cultural imperialism, non-professionals are labeled “the other” within the labor market and are further marginalized. Non-professional jobs are overrepresented in service sector industries (tourism, hotel accommodations, entertainment) prevalent in the New Orleans economy.

Young (1990) defines social justice as, “full participation and inclusion of everyone in a society’s major institutions, and the socially supported substantive opportunity for all to develop and exercise their capacities and realize their choices” and the polarization of the labor market oppresses non-professionals. She is critical of American social institutions that use the principle of merit to justify uneven distribution of nonmaterial goods and resources. The perception of a meritocracy in the US reinforces the hierarchical division of labor.

Young (1990) refers to corporate capital as homeless in its diminishing connection to place while highlighting the contradiction of municipalities reliance on corporate capital to support their economies. Following the 2008 economic recession American cities have looking for economic development strategies that can spur economic growth. Cities like Pittsburgh (PA) have recovered from the loss of their manufacturing base in steel by re-structuring their economy focusing on advanced services industries that can capture the flow of global capital. This economic re-structuring involves implementation of new policies and a re-organization of existing institutional governance structures. But concerns arise as to outcomes resulting from these new institutions. Fainstein (2011) concludes that to ensure just outcomes in cities, planners should shift their objectives from economic development to social equity guided by the principles of democracy, diversity, and equity.

Levels of scale are a significant factor in understanding the power relationships in urban governance structures. Tomaney et al. (2010) argues that local and regional economic development polices that solely focus on economic growth are misguided. Along these lines, Fitzgerald and Leigh (2002) state that economic development strategies should not only be concerned with growth but with the institutional mechanisms for distributing the benefits of that

growth. Institutional power should be decentralized across scales to address increasing inequality.

Inequality must be a key issue in these re-prioritized development strategies, with a focus on increasing employment. The employment benefits that accompany business growth such as transportation infrastructure expansion come with trade-offs in the built environment. Farmer and Noonan (2011) use Chicago's public mass transit system to describe the infrastructure disinvestment fallout as a result of neoliberal policies. The Chicago Transit Authority reduced services and eliminated union benefits despite receiving federal economic stimulus money following the 2008 economic recession. Farmer and Noonan (2011) assert that the Chicago elite exploited the 2008 economic recession in order to increase budget cuts to public sector services. These budget cuts harm the long-term sustainability of major public institutions and services that have a high use-value for many local residents.

Geoghegan (2010) contends that middle class Americans would experience a higher quality of life in European social democracies because of their increased social relief spending and labor power. The private market and social welfare need not necessarily be opposing systems. His argument is based on the concept of universal public goods including healthcare, education, child/elderly care that create greater life stability in the workforce. Public goods are distorted for profits sake when distributed through the private market, as evidenced by poor US healthcare outcomes relative to other developed nations despite spending the most of any nation. Geoghegan (2010) argues that securing public goods for an entire nation as opposed to an individual shifts the balance of power in negotiations to the people, often leading to better outcomes at a lower price. In sum, Geoghegan (2010) identifies the European social democracy model as a way to discuss solutions to social problems in non-monetary terms. Citizens should

not fear state intervention in the form of planning efforts because they provide a certain level of conformity to ensure the continued existence of our society. State intervention is necessary to protect the right to freedom that underscores many Western societies (Polanyi, 1944).

### *Neoliberalism*

Neoliberalism refers to the ideology of personal economic responsibility, free markets, privatization, minimal state intervention (deregulation), and reduced social relief spending.

Harvey (2007) critiques neoliberalization as, “either a utopian project to realize a theoretical design for the reorganization of international capitalism or as a political project to re-establish the conditions for capital accumulation and restore the power of economic elites.” In practice when the free market ideals have come in conflict with elite interests, it is the elite’s will that dominates. Therefore, neoliberalism can be seen as an ideology of convenience to maintain unequal capital distribution channels. This ideology is hostile towards any solidarity among the workforce and accelerates inequality among nations through the flow of capital to the world’s major financial nodes (Harvey, 2007). Wolf (1982) identifies this biased system as a major contributor to Europe’s rapid ascendance within the global economy of the 16<sup>th</sup> century.

Fainstein (2011) describes the conditions necessary for the proliferation of neoliberal ideology as, “heightened individualism and consumerism among the middle classes along with rebellion against seemingly unresponsive government bureaucracies made portions of the public receptive to an ideology favoring deregulation and reliance on market processes.” Trouillot (2003) explains the neoliberal phenomenon as an endorsement of growth as amoral value regardless of the distribution structure. He goes on to highlight the decreasing significance of labor in the operation of the global economy. The global economic elite or “global oligarchy” estimate this number at one fifth of the active population, where the other four fifths are left with tittytainment, “titty as in tits and motherhood, that is, enough milk for the poor to survive poorly



and plenty of entertainment to maintain their good spirits.” (Trouillot, 2003). And whereas neoliberalism rails against government intervention, cities that house major financial institutions have come to depend upon government assistance to maintain social order and technological infrastructure critical to their continued operation. The US’ commitment to neoliberal strategies is manifested in the pursuit of international trade agreements with other nations, setting the terms of global trade.

### *Trade Agreements*

Arguments for increased global economic connectedness focus on the importance of trade in spurring domestic development. Sanderson (1992) exposes the dubious connection between trade and development, and calls the pursuit of greater trade with more developed economies as wholly self-defeating for many Latin American nations. Furthermore, he argues that, “the reallocation of economic resources to trade comes at the cost of domestic development, and often at the cost of nonrenewable natural resources” (Sanderson, 1992, p. 10). In this way international trade must be understood in the context of power and who sets the terms of agreement. Governance structures and resource distribution channels are also shaped by power imbalances, as local gains from trade have been disproportionately distributed among the Latin American population.

The literature on international trade makes a clear distinction between the effects of engaging in preferential trade agreements (PTA) and pursuing trade liberalization strategies aimed at increasing economic openness. Barboza and Trejos (2010) label the former approach as economic integration *de jure* (through agreements) and the latter as economic integration *de facto* (through markets). PTAs are arrangements in which participating nations agree to reduce tariffs on specific goods to boost trade of said good among members. Bhagwati (1991) and Shadlen (2005) assert that PTAs have the potential to increase trade among member nations at

the expense of non-member nations (trade diversion) resulting in less integrated and inefficient regional economic growth. Furthermore, Bhagwati and Panagariya (1996) suggest that more economically influential countries like the US use PTAs as a means of dividing non-hegemonic governments within a region to achieve more favorable trade outcomes. Sharma and Chua (2000) conclude that PTAs do not necessarily increase trade in multi-national regional cooperatives but that a general reduction of trade barriers may be a more effective tool for improving economic growth. So given the uncertainty of outcomes from trade liberalization strategies, Galantucci (2013) argues that politics is a significant determinant in whether or not governments pursue PTAs. Political manipulation underscores economic development decisions involving trade liberalization strategies with very different economic outcomes.

In his discussion of the North American Free Trade Agreement (NAFTA), Mayer (1998) rationalizes Mexico's participation as opportune timing in which international goals aligned with Mexican national policy agenda. NAFTA satisfied Mexican leadership's desire to increase foreign capital investments, to raise Mexico's international standing, to open up Mexico's economy to the international community, and to institutionalize these economic reforms solidifying their long-term impact. From the US perspective, NAFTA represented a response to formation of the EU and an opportunity to aide economic development in a neighboring nation. Mayer (1998) characterizes the fight over NAFTA in the US as a symbolic one. From the labor perspective NAFTA represented corporate greed and societal exploitation (pollution, job loss, illegal immigration), politically NAFTA was an opportunity to fundamentally reduce protectionist trade policies while commercially, NAFTA solidified access to new markets and created new opportunities for economic growth. The legacy of NAFTA is less about the details

of the law but how it fundamentally altered the working relationship between Canada, Mexico, and the US.

The US has a history of free trade agreements with other Latin American nations in Central and South America in addition to the Caribbean. Palmer (1979) describes Caribbean economies as increasingly dependent on the US economy for development but this dependence has also made island nations more vulnerable to external economic events. He analyzes dependence based on four areas: trade, financial, emigration, and local economic policy. Hornbeck (2011) characterizes US-Caribbean relations as a series of unilateral agreements beginning with the Caribbean Basin Economic Recovery Act of 1983. Apparel imports increased due to new tariff preferences under the Caribbean Basin Trade Partnership Act of 2000. In 2006 Haitian apparel received preferential import treatment via the Haiti HOPE Act. Unilateral trade agreements require that only one country remove restrictions to trade e.g. import tariffs. In more recent trade agreements the US has taken a bilateral approach like the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) of 2004 with the Dominican Republic, El Salvador, Costa Rica, Guatemala, Honduras, and Nicaragua, which also focused on apparel tariffs.

Since 1973 the Caribbean Community also known as CARICOM has promoted economic cooperation and foreign policy agreement among fifteen full member nations: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago (Caribbean Community Secretariat, 2011). In 2013 the US signed a trade investment pact with CARICOM reducing US tariffs by 85 percent on Caribbean goods. Additionally, this agreement established an oversight council charged with advancing trade liberalization and

addressing energy security, energy efficiency, system sustainability, and energy affordability concerns (Dupre, 2013).

The case of Vietnam joining Association of Southeast Asian Nations (ASEAN) provides an example of how regional economic associations can give formerly isolated communist nations a chance to gradually increase free market participation on their own terms. ASEAN is a ten-member nation organization charged with promoting economic growth and regional stability in the Southeast Asia region established in 1967 (ASEAN, 2015). Thanh (2015) asserts that the Vietnamese economy pre-1980's was centrally planned and focused on trade with former socialist nations. But in order to address growing economic problems (rising inflation), Vietnam began to pursue a mixed-market socialist economy through the *Doi Mai* reformation movement. *Doi Mai* paved the way for increased trade liberalization including the 1987 Foreign Investment Law, the 1993 reestablishment of relations with international economic institutions (International Monetary Fund, Asian Development Bank), and the 1995 cooperative agreement with the EU. Vietnam joined ASEAN in 1995 and since then has contributed to an easing of ASEAN-Indochinese relations, to regional security by signing the Treaty on Southeast Asian Nuclear-Weapon-Free Zone, to institutional restructuring that allied with free markets, and to increased commodity exchange with other ASEAN member nations (Chauhan, 2013). Cuba faces similar obstacles in reforming its centrally organized economy.

US trade relations with Cuba are currently governed by six statutes: the Trading with the Enemy Act of 1917 (TWEA), the Foreign Assistance Act of 1961 (FAA), the Cuba Assets Control Regulations of 1963 (CACR), the Cuban Democracy Act of 1992 (CDA), the Cuban Liberty and Democratic Solidarity Act (Helms-Burton Act) of 1996, and the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA) (see Table 3). TWEA allows the US

president to restrict trade with any country in times of war. Cuba remains the only country whose trade with the US is still constrained by TWEA since North Korea's removal from the restricted list in 2008. The FAA restructured the US mechanism for delivering foreign aid creating US Agency for International Development (USAID) and it further codified prohibitions of aid to Cuba. The CACR imposed an immediate freeze of all Cuban assets in the US, implemented strict regulation of any US commercial activity with Cuba, and prohibited direct or indirect export of US goods or services to Cuba. The CDA, also known as the Torricelli Act, prevented US subsidiary companies to trade with Cuba, forbade US nationals from traveling to the island, and prohibited the of delivery of remittances. The Helms-Burton Act further strengthened US sanctions against Cuba, which included restricting Cuba's economic ties with other partners and opposing Cuba's membership in international financial institutions. TSRA was the first piece of legislation to ease restrictions against the Cuban government; it allowed the US to export food, agricultural products, forestry products, and medicine to Cuba while US import restrictions persist (Amnesty International, 2009).

Results from the use of trade sanctions as a mechanism for achieving foreign policy goals are mixed. Lektzian and Patterson (2015) argue that the enactment of comprehensive sanctions without considering a nation's defining characteristics rarely lead to a change in behavior from the sanctioned government. A more effective approach distinguishes between countries with more open trade policies and those that are more closed to trade. Lektzian and Patterson's approach recommends sanctions that weaken owners and intensive users of abundant factors in more open nations and hurt owners and intensive users of scarce factors in more closed nations. Abundant and scarce factors refer to the availability of assets a country is endowed with such as labor, capital, human capital (skilled labor), land, and natural resources (Deardorff, 2016). Study

results are summarized in Table 1, which suggest that trade sanctions can be an effective tool to change behavior if designed and implemented in a way that targets those economic actors who directly benefit from international trade activity in more open and closed societies.

**Table 1 Factors affecting the success of sanction (Lektzian & Patterson, 2015)**

<i>Change in Factors</i>	<i>Degree of openness at start of sanctions</i>	
	<i>Relatively Open to Trade</i>	<i>Relatively Closed to Trade</i>
Abundant factor increases relative to scarce factors during sanctions	Pr(Success) ↓	Pr(Success) ↑
Abundant factor decreases relative to scarce factors during sanctions	Pr(Success) ↑	Pr(Success) ↓
Scarce factor increases relative to abundant factors during sanctions	Pr(Success) ↑	Pr(Success) ↓
Scarce factor decreases relative to abundant factors during sanctions	Pr(Success) ↓	Pr(Success) ↑

*Freight Transportation and Urban Development*

International goods and commodities exchange is essential not only to the economic development of cities but to the spatial organization, mobility, employment, environment, culture, and governance of urban areas. Freight transportation is the means by which cities participate in the flow of goods connecting producers with consumers in local, regional, national, and international contexts. A city’s port, highway, rail, airport, and pipeline infrastructure raise its status as an access point or hub for freight flows, which contributes to the development of related support industries in surrounding areas. The economic contribution of freight transportation is well documented (Ogden, 1992), but efforts to understand the impact of freight transportation on other aspects of society are relatively lacking in comparison to those of passenger transit. Freight transportation is a quality of life issue that remains discussed in

abstract terms, wholly separate from the urban communities it supports (Cui, Dodson, & Hall, 2015). Urban populations already account for approximately 54 percent of total global population and are on the rise. It is up to urban planners, policymakers, and freight managers to guide expansion of urban freight operations to maximize its benefits while minimizing negative externalities (WHO, 2015).

Historically, concerns for the transportation of people and goods have influenced land development decisions in the US. Jackson (1987) attests that access to bodies of water was instrumental in the location of new cities. America's complex network of inland waterways combined with access to larger bodies of water like the Atlantic Ocean and Gulf of Mexico provided cities with a means to participate in domestic and international freight networks. In the case of New Orleans, the Mississippi River supported the migration and commerce fundamental to the founding of the Port of New Orleans, the US' oldest port of commerce.

On land, Goddard (1996) chronicles the contentious relationship between railroads, trucks, automobiles, and the federal government. In the early development stages, the federal government donated land to rail owners to expand their operations across the country. As the railroads grew in size and popularity, the government began to introduce new industry regulations. The Interstate Commerce Act of 1887 established the Interstate Commerce Commission (ICC) to provide some stability to fair rates in the transportation industry. This was the start of the antagonistic relationship between rail and the government, a situation that worsened with the rise of personal automobile use and the trucking industry. During the first half of the twentieth century, the trucking industry was relatively left untouched by federal regulators. Automobile advocates led by Thomas MacDonald, the top civil engineer of the Bureau of Public Roads, lobbied for the improvement and expansion of America's roadways based on the belief

that quality roads were a fundamental human right (Jackson, 1987). Cui, Dodson, and Hall (2015) argue that the US' decentralization of power in freight transportation planning to local jurisdictions has contributed to the uneven exercise of oversight industry-wide including regulation, financing, and maintenance. This disorganization limits the ability of governments to consistently address the negative impacts of freight transportation.

Activity from the freight transportation sector produces negative externalities in urban and rural settings involving concerns of livability, congestion, emissions, infrastructure maintenance, land use planning, and governance. Often freight planning research focuses on the economic side of freight such as improving efficiency of operations, but a growing body of literature is investigating the negative impacts of freight movements in cities (Anderson et al., 2005). On the issue of congestion, freight transportation is seen as interfering with passenger transportation on shared roadways despite accounting for an estimated 10-15 percent of total metropolitan road traffic (Cui, Dodson, & Hall, 2015). Freight transportation is also a major contributor to contaminant emissions as the diesel fuel burned by trucks and rail release large amounts of particulate into the atmosphere with adverse health effects on adjacent populations. The noise and vibration generated by trucks in residential areas reduces quality of life over time for residents. Moreover trucks cause disproportionate damage to roadways compared to private automobiles based on their larger vehicle size and heavier payload. Hesse and Rodrigue (2004) suggest that the rise in urban populations creates land use conflicts over limited land resources between freight operations and competing alternative development interests. As a result, the transportation planning process covering policy and regulation is greatly politicized.

The process of freight transportation planning in the US suffers from uncoordinated policy and regulation development across regions, originating from a disjointed planning



approach at national and local levels. Oftentimes, local authorities are more focused on land use and quality of life issues versus national authorities whose attention centers on economic development and environmental regulation initiatives. Policy solutions at the local level also tend to be reactive to resident and local business complaints, resulting in shortsighted policies aimed at constraining freight activities as opposed to considering how cities can facilitate increased future freight demand (Cui, Dodson, & Hall, 2015). Dablanc et al. (2013) highlights the lack of quality freight data available to the public as another issue contributing to poor policy outcomes. Planners, researchers, and policymakers have yet to agree on the appropriate metric for measuring the net effects of freight transportation; therefore they lack the ability to fully comprehend the impact of new and existing policies and regulations. This lack of empirical support increases policymaking vulnerability to outside influences from differing stakeholders.

The freight sector includes a wide spectrum of policy entrepreneurs that could be classified as public, private, or a combination of the two. Planners and policymakers draft policy, regulate, and allocate funds for maintenance and construction of public freight transportation infrastructure. Private entities such as receivers, carriers, forwarders, and shippers conduct the business of commodities exchange. Dedicated freight transportation infrastructure such as ports, railroads, and warehousing/storage present a unique planning challenge because at different times it has been owned privately and publicly. For example, ports are generally self-sustaining public entities that operate without traditional forms of government financial assistance, as in the case of the Port of New Orleans. Residents also play a role in influencing freight policy debates, as their interests may not be transportation related (Taylor, 2005).

Freight policymaking is susceptible to other influencing factors based on spatial, land-use, economic specialization, infrastructure, regulatory, and sociohistorical considerations. In

other words, freight movements are constrained by a city's defining traits. Influencers can be grouped into four general categories: legal and institutional, financial, political and cultural, and practical and technological (Stathopoulos et al., 2012; May, Kelly, & Shepard, 2006). In urban contexts, trucks are the pre-dominant mode of freight transportation, so influencers related to roadways may receive additional attention in the policymaking process. In this current decentralized organizational structure, urban planners are encouraged to think and act solely within their own jurisdictional boundaries despite the fact that freight transportation is a multi-jurisdictional operation. The Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) is US policymakers' attempt to foster multi-jurisdictional collaboration in transportation planning through the creation of new means for investment in freight transportation networks. It remains to be seen what impact the recent passage of the Fixing America's Surface Transportation (FAST) Act in 2015 will have on local freight planning initiatives (FHWA, 2015).

America's dependence on the steady supply of oil to fuel its economy has driven its foreign policy objectives throughout the twentieth century. As consumption outpaced production the US became more reliant on emerging oil producers in the Persian Gulf i.e. Saudi Arabia, Iran, and Kuwait. In what Yergin (1990) termed the "oil weapon", these countries used their increasing energy market share to manipulate the price of oil for greater financial gain, effectively exposing America's vulnerability. Oil security became a top national priority and the US committed to protecting transnational supply routes with military force, in what would become known as the "Carter Doctrine." But with the resurgence of domestic oil and natural gas production and the commitment to renewable energy sources, the significance of energy imports is diminishing and the US may be willing to reduce its prominent role in securing global energy shipments (Parraguez Kobek, Ugarte, & Aguilar, 2015; Priest, 2012). This newfound energy

security also allows US policymakers to seek non-military resolutions to outstanding foreign policy problems, one of the oldest being the embargo of Cuba. Evidence of a shift in policy towards Cuba occurred as recently as 2000 with the passage of the Trade and Sanctions Reform and Export Enhancement Act that granted one-year export permits for food and medicine to the island. But beyond this minor change in policy with Cuba, the bulk of economic sanctions and travel restrictions persist.

*Policymaking and the Multiple Streams Approach (MSA)*

The Multiple Streams Approach (MSA) is a framework for understanding how policy is made (agenda setting, decision-making, implementation) based on the interaction of problem streams, policies streams, politics streams, policy entrepreneurs, and policy windows. MSA attempts to explain the policymaking process in times of ambiguity, defined as the existence of multiple perspectives on a single issue (Mintrom, 1997; Zahariadis, 2014, p. 26). MSA rejects rationality and embraces ambiguity, accepting that the policymaking process is convoluted. In this way MSA is reliant on external stimuli from policy entrepreneurs to explain the existence of policy windows the resulting policy outcomes.

In broader terms, the driving force behind major policy change is periodic and based on outside provocation. MSA can be categorized as an agenda setting theory, as external actors manipulate the process. Although MSA acknowledges the role of institutions and their rules in decision-making processes, it uses informal rules and formal venues. This means MSA operates within well-defined societal categories (problem, policies, politics), yet it remains unclear how these streams combine and in which stream a policy window will arise. With regard to theoretical elements, MSA operates at the system level of analysis that underscores the importance of collective decision-making in a continually changing society. MSA can

accommodate an expanded policy agenda due to this wide scope, which muddles the policymaking process (Zahariadis, 2014).

The problem stream comprises citizens' and policymakers' concerns and grievances. Zahariadis (2014) connects the number of problems on the policy agenda, or problem load, with the real and perceived effectiveness of policymakers. Too many problems on the agenda diminish policymaker's ability to prioritize issues and as a result, effort and resources are targeted toward problems, "they may be able to solve rather than those that must be solved." (p. 33) Indicators, focusing events, and feedback are some of the common ways policymakers learn about new problems to address. Typically, indicators are specific societal measures or statistics that suggest the existence of a problem. Focusing events are one-time or developing events that focus public attention on a particular problem, thus raising its significance and status on the political agenda. Lastly, feedback relates to the lessons learned from previous policy initiatives that can guide solutions for other problems.

The policies stream is the collection of ideas generated by networks of bureaucrats, academics, and researchers to address the problems stream. Given the large volume of policy proposals, policymakers narrow the field based on technical feasibility, value acceptability, and resource availability (Zahariadis, 2014, p. 33). Idea prioritization is also determined based institutional structures for the generation of new ideas, referred to as policy networks. These networks are classified as more or less integrated based on their size, mode, capacity, and access. Policymakers prioritize ideas from specific policy networks due to reputation, past relationships, and ideological perspectives, in what could be considered their political orientation.

Politics plays a major role in the manipulation of the policymaking process and within MSA, is represented by the politics stream. The politics stream attempts to gauge the extent of

political support a policymaker has in acting to solve a problem. According to Zahariadis (2014) the politics stream involves three components: the national mood, pressure-group campaigns, and administrative or legislative turnover (p. 34). National mood is the general sentiment of a large number of individuals in a country, and is sometimes measured in national polls.

Policymakers are influenced by pressure-group campaigns, often advocating for policy action (or inaction) on a specific issue of interest. As it implies, institutional turnover refers to the number of new administrators or legislators entering positions of power and how their ideology favors one problem over another. Outside influencers actively work within one or more streams to create opportunities for policy change.

Policy entrepreneurs, defined here as individuals or organizations with a vested interest in a policy area, foster conditions that lead to the combination of all three streams and the opening of a policy window. Qualitative interviews reveal how policy entrepreneurs use policy as a means to disrupt the normal operations of societal institutions. The process of policymaking is a bridge between the individual and the institution, one component of market economies that connects agency and structure. Interview findings demonstrate the role of policy entrepreneurs as agents of change within larger theories of political economy.

Policy entrepreneurs are political manipulators in that they strive to communicate meaning and clarity to an ambiguous policymaking process. Through qualitative interviews, this study discovers what kinds of messages policy entrepreneurs developed to open policy windows and create policy change once inside. Their success is dependent on the amount of resources and political access. Zahariadis (2014) contends that a policy has a better chance of acceptance when the three streams are joined (p. 35) A policy window is an opportunity for issues to move to the top of the policymaking agenda and potentially become adopted policy. Policy windows are

bounded by time and occur one at a time. Significant events can open policy windows in the problem stream but windows can also open in the politics streams.

These political policy windows are ideological in nature. The two policy windows differ in that problem-based windows are focused on solving a definite problem with less emphasis on the actual solution, while politics-based windows are focused on solutions to a less defined problem. The current policy window in US-Cuba diplomacy cannot be attributed to any single focusing event defining a problem; therefore it originates in the politics stream. US officials have yet to communicate the problem behind recent actions to normalize diplomatic relations with Cuba. The goal is to reach rationale based on an existing embargo policy that has failed to achieve any notable change in Cuban governance.

MSA's strengths and weaknesses are dependent on timing and external stimuli. The strengths of using external events lay in the ability to capitalize on moments of mass consensus. Events are often very shocking and can elicit strong emotional responses that temporarily or permanently overcome ideological beliefs. This momentary climate can speed up the policymaking process, which is typically slowed by continual debate. One weakness of using external events is that the window of opportunity is temporally bounded, essentially limited to the issue's relevance in public discourse. Another weakness is that ideological differences may be so entrenched within individuals on a particular issue that no magnitude of event could create the political will necessary to pass major policy change. Political actors can also frame how the public perceives events, impacting its relevance in public discourse and the subsequent pressure on policymakers to act. Policy entrepreneurs of great wealth can use their financial strength to influence the public narrative as well. This influence manifests itself in the form of campaign contributions, advertising, and dissemination of propaganda through popular media outlets to

shorten the length of policy windows or keep them closed all together. Opportunities for trade policy change are temporally bound, yet the outcomes have long lasting impacts on the daily life of local populations.

### *National Identity and Trade*

National identity is a key element in the process of trade liberalization, and it is cultivated in different ways. The process of national identity development is susceptible to manipulation to serve varying economic interests. At the individual level, identity formation implies an ongoing process of self-reflection and reproduction. Commonalities among this collection of identities represent one aspect of national character (Zahariadis, 2014, p. 34). Politically motivated individuals and organizations form national identity through more deliberate actions. Corporations and governments operate at higher levels of scale to communicate a unified characterization or “brand” of specific identities for regions, states, and nations (Brash, 2011). The tourism industry is just one example of this conceptual conflict between scales, where inter-regional, -state, and -national competition is the norm through advertising campaigns distilling locally formed character into a national identity.

The manipulation of media, national symbols, and physical landscape is used to communicate a single vision of a nation’s identity (Schwenkel, 2013). National symbols like holidays, historical figures, official languages, and foreign policy views are influential signifiers of shared culture (Sahm, 1999). Graan (2013) describes the state’s interest in promoting a common identity (nation branding) as the desire to project an image of stability to the rest of the world, to attract foreign investment and tourism. Often this top-down approach towards identity formation occurs in relation to external actors. Omi and Winant (1994) contend that notions of nationalism can develop in response to colonialism or other types of occupying forces (p. 37).

The societal re-organization effects of *nation branding* can elicit similar backlashes to identity commodification from populations, injecting authenticity into the national political discourse.

National identity is developed geographically and influences a nation's policy outcomes in either constitutive or regulative fashion. Constitutive refers to the creation or revision of actors and interests while regulative refers to the regulation of actor's behavior. In a comparison of two post-Soviet republics, Latvia and Belarus, Tsygankov (2000) identifies domestic structures as the conduit through which a nation's identity is formed over time. National identity effects are illustrated by examining the following societal indicators: history of national independence, ideology of policy networks, retention of native language, type of trade policies, strength of nationalist interest groups, access to international markets, exposure to outside threats to independence, and character of political leadership. He attributes the disparities in foreign trade policy outcomes, since the break up of the Soviet Union in 1991, to differing levels of national identity strength. Tsygankov (2000) suggests that a well-defined, autonomous conception of national identity contributes to more radical change from past economic patterns. And in contrast nations with weaker conceptions of national identity are less likely to break away from the influence of external actors.

The 1959 regime change led by the Castro brothers in Cuba constituted a rejection of foreign ownership on the island, symbolized by the seizure of foreign property and nationalization of industry in lieu of new economic reliance on the Soviet Union and its allies. Up until that point in time, the Spanish, British, and Americans had physically, ideologically, or financially occupied Cuba over the last five hundred years. The Castro government represented Cuba's first recent opportunity to develop an identity at the national level, albeit with the support of significant Soviet subsidies. Cuba's turn to the Soviet Union was a rational outcome due to



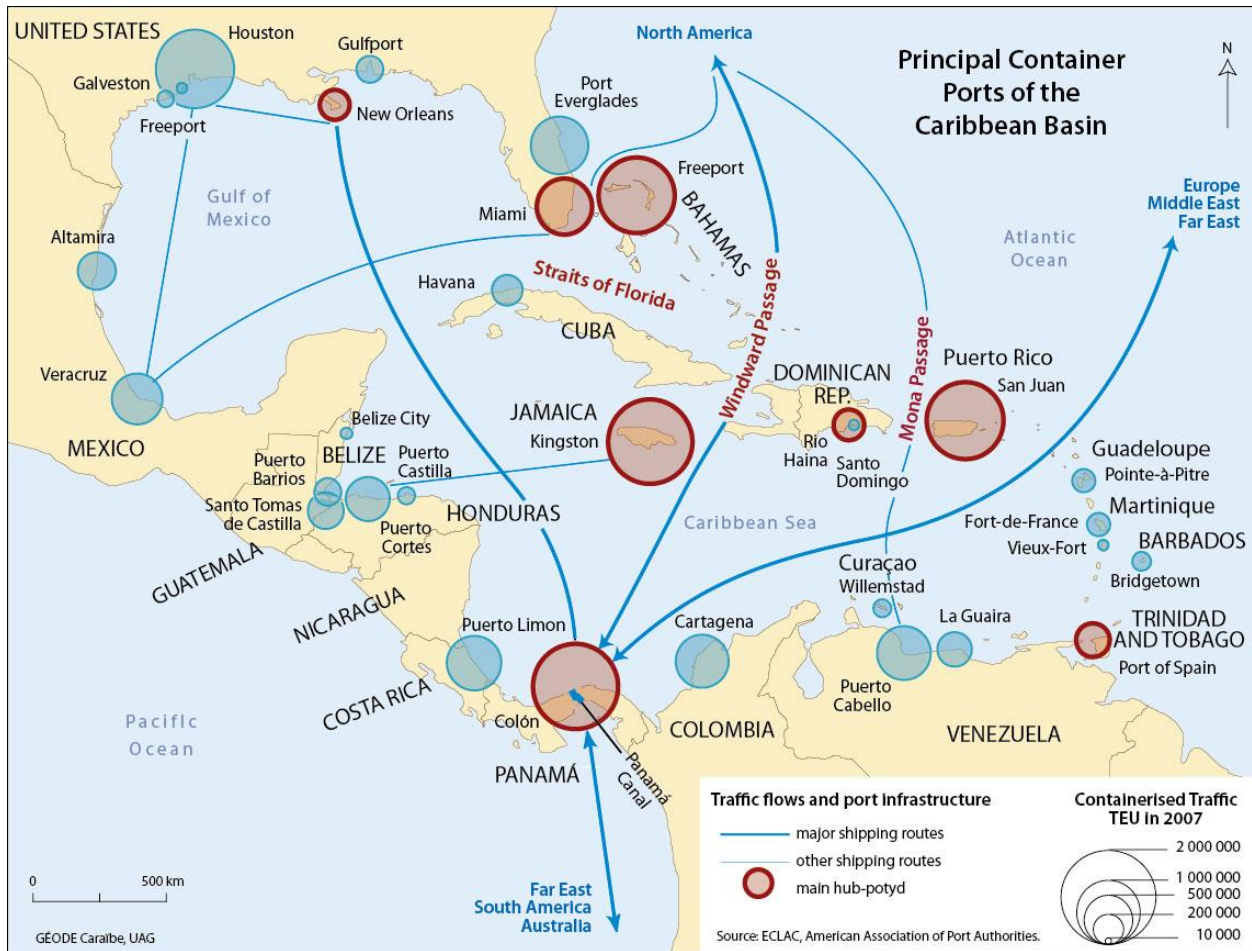
their historical lack of national autonomy, the failed liberal economic policies of the Batista regime, the strength of Fidel Castro's political personality, and American's widespread asset ownership threatening Cuba's fragile independence. Re-engagement of US-Cuba diplomacy presents a unique case in exploration of national identity effects on trade policy given its strong trade relationship with the LMRR pre-embargo, continued trade relationship with Russia over the last fifty-five years, and its geographic isolation in the Gulf of Mexico.

#### *An Uncertain Future for Trade in the Gulf of Mexico*

The future for freight transportation in the Gulf of Mexico is dependent on the affect of the opening of Panama Canal in 2016, normalizing diplomatic relations between the US and Cuba, and the shifting production and consumption roles from non-Organization of Economic Cooperation and Development (OECD) actors. Cuba is well situated within north-south American freight flows to capitalize on US freight transportation infrastructure (see Figure 6). Cuba's central location in the Gulf of Mexico affords access to the Straits of Florida, Windard Passage in addition to Panamanian-US Gulf Coast freight flows. Figure 6 also highlights (in red) the location of main transshipment hub ports in the Caribbean like Freeport (Bahamas), Kingston (Jamaica), Santo Domingo (Dominican Republic), San Juan (Puerto Rico), and Port of Spain (Trinidad and Tobago). Given their significant role in the *hub and spoke* approach towards shipping, Cuba has similar hub potential from a locational standpoint. In recent years the Cuban government has made significant investments in freight transportation infrastructure at the Port of Mariel to accommodate new growth (Macguire, 2013; Cave, 2014; Watts, 2014; Steel, 2015). The strategic location of Mariel, on the northwest coastline of Cuba, increases the port's potential to serve as a transshipment hub for trade to and from the US.

This close proximity to the US Gulf Coast also provides new incentives for US policymakers to change cabotage laws, which govern the movement of domestic- and foreign-

flagged marine vessels between ports of call on domestic waterways. Currently, the Merchant Marine Act of 1920, often referred to as the Jones Act, governs shipping activity in the US and it was designed to protect domestic maritime shipping by restricting the penetration of foreign flagged vessels in US markets. The Jones Act also states that vessels operating in domestic shipping routes must be built in the US, owned by US citizens, and operated by a crew of US citizens or permanent residents. Expanded US-Cuba trade has operational and regulatory implications for the entire US shipping industry through the reduction of Jones Act restrictions and the lift of economic sanctions allowing direct US-Cuba vessel movements. This would encourage the expansion of Short Sea Shipping (SSS) operations in the Gulf of Mexico as US tourism, agricultural, industrial, and technology flows to Cuba increase, creating the necessary demand for services like container on barge shipping. SSS is defined as the movement of cargo and/or people by sea between ports along a coastline. Legislative action loosening cabotage laws can help the US fulfill its “America’s Marine Highway Program” (AMH) initiative of further developing SSS activity, outlined in the 2007 Energy Independence and Security Act in addition to the Coast Guard and Maritime Transportation Act of 2012. AMH has goals of increasing US economic competitiveness, mitigating roadway congestion, reducing greenhouse gas emissions, bolstering the domestic shipbuilding industry, and improving system resilience (MARAD, 2011).



**Figure 5 Map of Gulf of Mexico port infrastructure and containerized freight flows (Vergé-Dépré, n.d.)**

What remains to be seen is the impact of relaxing US-Cuba embargo restrictions on Gulf of Mexico freight flows. Cui, Dodson, and Hall (2015) describe the decision-making process for trade issues as inherently politicized because of the visibility of industry activities, its multiple stakeholders, and the disagreement of policy goals at the local and national levels. International trade involves the physical movement of goods by truck, rail, ship, plane, and pipeline through marine and inland ports. Since trucks carry most goods on land, private citizen's experiences with freight transportation is often characterized by its negative impacts such as roadway congestion, catastrophic accidents, and pollutant emissions; a similar argument could be made for rail as well. In addition to negative public perceptions, conflicting interests among key

stakeholders from the government, policy elites, citizenry, and industry experts further muddles freight transportation policymaking (Crow, 2010). And again, discordant policy agendas at the local level (land use and quality of life) and national level (economic development and environmental protection) contribute to mixed policy outcomes. But how are policy entrepreneurs from the US and Cuba affecting change inside the policy window?

The issue of US-Cuba trade has become more ambiguous over the last decade as the economies of Cuba's closest trade allies in Russia and Venezuela suffer through economic depression due in part to the global economic recession of 2008. Throughout the US embargo against Cuba until the collapse of the Soviet Union, Cuba remained dependent on preferential trade agreements with the Soviets and their allies that amounted to a substantial economic subsidy. After the recession and economic reforms of the *special period* in the 1990s, Cuba secured another favored trade deal with Venezuela on the importation of oil. Once again, this deal was in effect a subsidy for the Cuban government because of their ability to re-export discounted Venezuelan oil at higher market prices. But the persistent low price of oil beginning in 2014 has weakened both the Russian and Venezuelan economies as well as Cuba whose oil subsidy has lost significant value (McAuley, 2014; Toro, 2015). Cuba's economic troubles, the result of bureaucratic inefficiencies, chronic hard currency debt, and foreign direct investment deficiencies may induce economic policy reforms similar to those of the *special period*. This can already be seen in the gradual reforms from President Raúl Castro since assuming power in 2006 (Pérez-Stable, 2010). Despite this progress, Mesa-Lago and Pérez-López (2013) describe the need for additional economic reforms to realize,

“a high and sustained rate of economic growth, higher labor productivity, reduction in excess monetary liquidity, elimination of monetary duality, decrease

in goods trade deficit, creation of private sector productive employment to absorb excess workers dismissed from the state sector, increases in real salaries and pensions, and improvement in the quality of social services.” (p. 25)

Increased economic participation with the US is one component of a larger Cuban reform strategy. The growth of this relationship is dependent on policy change i.e. reduction and removal of the economic embargo. This study fills a research need in understanding the politics of economic policymaking in urban contexts through the lens of the individuals from major US seaports, the business community, government, logistics support industries, policy networks, and Cuban citizens, which have a vested interest in its outcome.

## Chapter Three

### Methodology

#### *Research Question*

How does the behavior of policy entrepreneurs from the LMRR of the US and the Havana metropolitan area in Cuba influence economic policymaking inside a policy window to disrupt political economy activity? Lower Mississippi River economies are supported by the commercial activity of five ports located in Baton Rouge, New Orleans, Plaquemines, South Louisiana, and St. Bernard, which comprise the largest port complex in the US and the sixth largest in the world by tonnage (Big River Coalition, 2014). I selected the LMRR as a case study because it is one of America's oldest commercial centers and as such provides a greater amount of historical documents to review (Yin, 2009). In particular, the region had strong trade ties with Cuba pre-1960 embargo. In the years leading up to the Castro revolution an estimated one third of the all cargo handled by the Port of New Orleans served Cuban markets (Robins and Trujillo, 1999). Within the framework of this main research question, I developed a set of sub questions that guided my path of inquiry:

- Why now? What recent focusing events have occurred to create a policy window for lifting the embargo?
- Which types of behavior from policy entrepreneurs help couple the problem, policies, and politics streams?
- How are policy entrepreneurs from the US and Cuba affecting change inside this policy window?
- How does political economy theory explain the development of the Cuban economy throughout the twentieth century?
- How can recurrent messages expressed by US and Cuban policy entrepreneurs be used to understand manipulation of the policymaking process towards a change in institutional behavior?

Responses to these sub-questions then provided the foundation for a greater discussion on the impacts of politically motivated actions on policy development. To complete this dissertation, I developed the following three research objectives that outline individual research tasks.

***Objective 1. Describe the impact of the US embargo on Cuba through trade analysis of the Cuban economy pre- and post-embargo.***

- Characterize US-Cuba trade flows before and after institution of the 1960 embargo
- Catalogue past and current policies that govern the US embargo of Cuba
- Determine major economic phases of the Cuban economy throughout the twentieth century to present day
- Explore the current economic challenges facing Cuba and the obstacles to greater economic openness

***Objective 2. Review historical documents related to behavior of policy entrepreneurs in US-Cuba relations.***

- Identify embargo-related historical documents from US and Cuban secondary sources (e.g. print/digital media, peer-reviewed articles, presentations, government records)
- Develop a timeline of political, economic, and legislative events in US-Cuba relations
- Use this events timeline to identify US and Cuban policy entrepreneurs
- Identify policy entrepreneurs from literature on political economy theory

***Objective 3. Conduct qualitative analysis of policy entrepreneur behavior during an open policy window.***

- Conduct semi-structured interviews with representatives from major US seaports, the business community, government, logistics support industries, policy networks, and Cuba
- Conduct content analysis of interview transcripts to establish common themes expressed by interview participants
- Determine potential opportunities associated with expanding US-Cuban trade, specifically related to industry
- Connect qualitative themes to larger narrative of political manipulation during opportunities for policy change

### *Research Design*

This study employed an explanatory sequential mixed methods approach. Explanatory sequential mixed methods involve the collection and analysis of both quantitative and qualitative data types. Because research activities occur in sequence, data is collected separately with two different units of observation. The quantitative unit of observation in this case study was trade value, while qualitatively, the unit of observation was the individual (Guest, Namey, & Mitchell, 2013, p. 43). The research took place in three phases. Figure 1 describes the analytical progression beginning with quantitative data, which then informed qualitative data collection and analysis. Capitalization of the qualitative notation, “QUAL”, in Figure 4 indicates a greater emphasis on that phase, while the lowercase quantitative, “quan”, is emphasized less. Lastly in the interpretation phase, qualitative data results were used to provide a deeper understanding of the quantitative data results (Creswell, 2014, p. 224).

quan → QUAL → interpretation

**Figure 6 Description of explanatory sequential mixed methods design**

In this study, quantitative data consisted of trade value analyses between the US and Cuba before and after the embargo. The intent was to quantify the magnitude of impact to the Cuban economy due to the embargo thus providing some clarity to the problem of continued economic isolation from the US. Data was acquired from secondary sources: US International Trade Commission, US Department of Commerce, United Nations Economic Survey of Latin America, US Department of Agriculture, and peer-reviewed journal articles. An examination of freight exchange revealed which commodities and industries suffered the greatest loss post-embargo. These critical commodities and industries were then used to identify policy entrepreneurs, and subsequently informed the selection of participants for qualitative data collection.



### *Study Population and Sampling Approach*

The freight sector is made up of policy entrepreneurs at each stage of the supply-chain network. The shipment of commodities from producer to end consumer requires cooperation among logisticians, freight carriers, warehousemen, customs brokers, seaports, labor, and regulatory agencies. I targeted representatives from the following groups to interview: major US seaports (e.g. port employees, stevedores), the business community (e.g. small-business owners, restaurateurs), government (state agencies), logistics support industries (e.g. freight forwarders, consultants), and policy networks (e.g. academics). I reached out to similar Cuban freight sector counterparts but I received no reply. In order to gain a Cuban perspective, I traveled to Havana, Cuba in the Spring 2016 and interviewed average Cuban citizens as well as a representative from the Havana policy network. Representatives from US seaports aided in understanding how freight flows affected urban development, understanding the impact of trade agreements and embargos, and identifying which industries stand to gain from a removal of the embargo. Government representatives provided insight into the policymaking process, the interplay between local, state, and federal jurisdictions, and the current political stance on US-Cuba relations. Input from the business community contributed to understanding of private sector influence on trade, and helped identify key growth industries post-embargo. Interviews with individuals working in logistics support helped contextualize the US embargo of Cuba within the entirety of US trade interests and also aided understanding the impact of policy change on logistics business operations. I used content from the interviews to gain a better understanding of freight flows between the US and Cuba as a result of economic sanctions. Academics within US and Cuban policy networks provided insight into the temporal aspect of the normalization process and the social motivations behind this effort. Lastly, interviews with Cuban citizens

illuminated their lived experience in Cuba under the influence of two national governments, Cuba and the US.

Potential study participants were identified using a purposive snowball sampling approach. I developed an initial list of relevant individuals and organizations from the literature on political economy. Next I solicited referrals for additional study participants based on their professional and social networks. The sample size was considered sufficient when I reached theoretical saturation from qualitative interviews, yielding 20 total interviews (Guest, Namey, & Mitchell, 2013, p. 59).

In order to address the main research question this study 1. defined the characteristics of the policy window in US-Cuba relations 2. categorized policy entrepreneur behavior within this window, 3. described in what way their behavior contributed to the reduction of sanctions, and 4. assessed the effectiveness of each type of policy entrepreneur behavior. US-based interviews were limited to stakeholders from the LMRR to gain their perspective on policy entrepreneur behavior in a region of the US that is uniquely adept in the movement of bulk cargo, the basis of US exports to Cuba since 2000. Interview questions were designed to understand the impact of policy entrepreneurs' actions in the context of the LMRR. This context was developed through descriptive questions related to region-specific immigration, special interest groups, political discourse, economic organization, and inter-organization relationships. It is the development of the LMRR context that reveals the unique contribution of its policy entrepreneurs in the changing US-Cuba relationship.

#### *Semi-Structured Interviews*

The second phase consisted of semi-structured qualitative interviews with stakeholders collected over a two-month span in 2016. Interviews either took place in-person or over the phone, lasting between thirty to ninety minutes in duration in English or in Spanish. I employed

the ethnographic interview technique developed by James Spradley. Spradley's (1979) approach is based on twelve essential interview elements shown in Table 1. Interviews begin with formal or informal greetings depending on the familiarity between interviewer and interviewee. In step 2, the interviewer gives ethnographic explanations in plain language to the interviewee that describe the overall research project and its explicit purpose as well as details about the interview process with explanations of questions, recordings, native language, and interviews. The intent of these first two steps is to create a safe environment for the subject to openly share their experience while understanding that the interviewer plays an active support role in guiding discussion topics. Each interviewee received a letter of consent before the start of the interview either read aloud in-person or emailed for phone interviews. All content was recorded with an audio recording device and later transcribed.

Semi-structured interviews involve asking ethnographic questions labeled as descriptive, structural, or contrast (Step 3). Generally ethnographic questions are designed to be open-ended to allow the subject flexibility to respond in any way desired. In this study questions were designed to gain a better understanding of policy entrepreneur behavior in the freight transportation sector including manipulation of information, and individuals, and institutions. Interview guides contained 10-15 potential questions. Interviews were conducted in English or Spanish depending on participant's preference.

**Table 2 Elements in the Ethnographic Interview (Spradley, 1979)**

<b>Step #</b>	<b>Action Item</b>
1	Greetings
2	Giving ethnographic explanations
2.1	Giving project explanations
2.2	Giving question explanations
2.3	Giving recording explanations
2.4	Giving native language explanations
2.5	Giving interview explanations
3	Asking ethnographic questions
3.1	Asking descriptive questions
3.2	Asking structural questions
3.3	Asking contrast questions
4	Asymmetrical turn taking
5	Expressing interest
6	Expressing cultural ignorance
7	Repeating
8	Restating informant's terms
9	Incorporating informant's
10	Creating hypothetical situations
11	Asking friendly questions
12	Taking leave

*Coding Methods*

Transcribed interviews were analyzed using a color-coded categorization technique (Hesse-Biber & Leavy, 2006). This multi-stage technique begins with multiple reviews of the transcript to obtain a greater understanding of its content. Next the researcher develops general categories for different types of information encountered in the text. Each category is then assigned a specific color. Thereafter the researcher reads through the transcript again and physically highlights sections in the text that can be organized under one of the aforementioned categories using the appropriate color. Typically researchers highlight re-occurring folk words, specific places, subject sentiments, and any other information pertinent to the research questions.

Once the transcript has been thoroughly highlighted for categorical information, the highlighted text is then separated from the original document and re-organized by category in a

new document. This re-organization of highlighted content is accomplished via word processing software. Based on these categories and highlighted content, the researcher searches for reoccurring themes that can be developed into larger patterns describing the over-arching phenomenon, in this case policy entrepreneur behavior. A qualitative interview typically contains three main patterns that are supported with quotations from the transcript previously identified through the highlighting process. These patterns were used to address research questions and to develop conclusions and recommendations about the influence of policy entrepreneurs on the policymaking process.

### *Secondary Data*

Embedded within the second phase, I reviewed secondary data sources from popular media in the US and Cuba using a confirmatory approach. The confirmatory approach involved reviewing documents using a pre-determined set of categories related to policy entrepreneur behavior. This was done to test the applicability of the MSA in explaining the current policy window in US-Cuba diplomatic relations opened by US President Barack Obama and Cuban President Raúl Castro on December 17, 2014 (Guest, Namey, & Mitchell, 2013, p. 256). In further evaluation of MSA theory, this study classified the years following Cuban revolution as an open policy window that provided the necessary conditions for the adoption of the embargo from both US federal executive and legislative branches. Potential information sources include newspapers, blogs, city government press releases, business records, demographic information, and advertisements. Popular regional media sources like newspapers and press releases will help recount the national mood, external pressures, problem magnitude and the progression of events leading up to the sweeping change in foreign policy from US and Cuba perspectives.

### *Methods Rationale*

The rationale for using an explanatory method was its requirement for a guided approach to qualitative data collection. Initial interviews revealed insider terminology that I then used to refine interview questions. The quantitative data helped me identify specific commodity flows that could shift through Cuba. Based on those potential flows I was able to select my sampling method and to draft trade specific interview questions. Multiple streams approach was the most suitable theoretical model for this case study because it describes how opportunities for policy change are created under ambiguous conditions (Zahariadis, 2014, p. 26). It will take executive and legislative action to fully remove the embargo and MSA helps explain that process based on the combination of existing problems, potential policy solutions, and present political will to enact said solutions.

### *Recruitment Method*

I recruited participants from major US seaports, the business community, government, logistics support industries, policy networks, and Cuban citizens using an investigator-initiated and socially-based recruitment technique as described by Guest, Namey, & Mitchell (2014, p. 68). Interviews were conducted either in person or over the phone and were recorded with a digital audio recorder. I used a third party transcription service with strict privacy policies to produce interview transcripts. I kept email correspondence through the completion of my dissertation and then I deleted them. I will keep audio files and interview transcripts for a period 5 years from completion of my dissertation at which point I will delete all files and shred any hard copies of transcripts used in the coding process.

I recruited port representatives via targeted email solicitations based on existing relationships via past project collaborations and networking events. I enlisted participants from the business community and logistics support providers via connections with organizations interested in maritime shipping like the World Trade Centers Association, regional chambers of commerce, New Orleans Business Alliance, Louisiana Economic Development, and the International Freight and Customs Brokers Association of New Orleans. (IFFCBANO). I recruited participation from government representatives via targeted email solicitation based on contacts from the University of New Orleans Transportation Institute. I used similar email solicitation methods to recruit academics in US-Cuba policy networks. While traveling in Cuba, I relied on my host's kinship networks to recruit participants.

#### *Validity*

In explanatory sequential mixed methods, both quantitative and qualitative studies should be valid in their own right. I must use quantitative study results to inform the plan for qualitative data collection. In this study quantitative analysis guided the development of interview questions. The strength of the sequential explanatory mixed methods is that qualitative interviews will be guided by the results of quantitative economic analyses.

Creswell (2014) argued for the inclusion of validity strategies in qualitative research designs beginning in the proposal development phase. To increase study validity I used triangulation of different participant perspectives to support my selection of themes. Additionally, I have clearly presented my own biases as the lead researcher by discussing my personal relationship with Caribbean nations. This study incorporated feedback from an external reviewer, also referred to as peer debriefing, to ensure validity within disparate audiences. In terms of reliability, this study follows the methodology described by Yin (2009), which advocates for detailed documentation of each step in the research process to increase consistency

and stability. I also reviewed transcripts for mistakes and developed clear definitions for theme categorization as described by Gibbs (2007) to improve study reliability.

### *Limitations*

Potential challenges of an explanatory sequential mixed methods approach include an increased time commitment. Phase 1 must be completed before phase 2 can begin, so the overall research timeline is extended, in contrast to convergent parallel mixed methods design where phase 1 and phase 2 are conducted concurrently. I interpreted results of phase 1 and phase 2 analyses in the discussion section of my report (Creswell, 2014, p. 225). The intent of this interpretation is to understand the influence of policy entrepreneur behavior on the policymaking process. The main limitation of the MSA is that it is still relatively new compared to other theories and it has not been fully confirmed through repeated scientific testing. MSA has also been criticized for focusing too much on the individual at the expense of analysis of the institutional role in policymaking. Questions also remain as to whether multiple streams theory can be supported by quantitative data.

### *Significance*

This research contributes to the field of economic development policy by investigating how specific individuals and groups can produce policy change in moments of political unease. MSA provides a framework for understanding how messages are developed and expressed to policymakers with decision-making authority. In the absence of a well-defined problem, the power of policy entrepreneur's message of *policy failure* is amplified. My results suggest that a small number of motivated actors at the individual, state, and national levels of society employing political, economic, and symbolic actions contributed to the opening of the current policy window and the succeeding reduction of sanctions. This work lends empirical support to Zahariadis's (2003, 2005) argument that issue salience plays a larger role in influencing



institutional behavior than characteristics of an issue. This dissertation also supports the notion that MSA can illuminate the connection between domestic and foreign policy development by describing how policy entrepreneurs work within existing ideological frameworks to change narratives. In this way, policy entrepreneurs focus the political debate within a policy window on the loss of economic opportunity, an issue fundamental to American national identity. This places the burden of policy failure on the federal government and creates a need for action in the name of rationale. My study contributes to MSA theory by evaluating policy entrepreneur's use of information to build narrative in support of specific policy action.

#### *Role as a Researcher*

As the primary researcher in this study, I am the child of Caribbean immigrants to the US. Although born and raised in the US, I have traveled to several Caribbean islands over the years including Aruba, Barbados, the Bahamas, Puerto Rico, and St. Martin. A portion of my family originates from the Dominican Republic, a former Spanish colony similar to Cuba. At the same time, I my research focus in freight transportation and economic development places me in a position of conducting research on the impacts of international trade and freight movements. I have received an academic fellowship from the US Department of Transportation to complete my dissertation.

## Chapter Four

### History of the Cuban Economy

#### *US-Cuba Trade Pre-Embargo*

The structure of US-Cuba relations pre-embargo was defined by the inclusion of the Teller Amendment in the 1898 Congress joint resolution that prohibited US annexation of Cuba, the conclusion of the Spanish-American War later that year that ended Spain's occupation of Cuba, the inclusion of the Platt Amendment in 1901 that permitted US military intervention in Cuba, and the subsequent passage of the Reciprocity Treaty in 1902 that officially granted Cuban Independence. These events safeguarded an enduring US presence in Cuba, which could be protected thru military force when deemed necessary. Thus US firms gained economic confidence in Cuban markets and actively sought to deepen trade relations. This close economic relationship persisted until the 1959 military coup led by Fidel Castro that proved to be a tipping point relations embodied by the US embargo of Cuba that remains in effect today (Table 3).

Pre-embargo, the commodities of particular interest to the US market were sugar, rum, tobacco, and offseason fruits and vegetables that translated into preferable tariff reductions on US agricultural exports to Cuba including lard, salted and smoked meats, vegetable oils, wheat flour, rice, potatoes, onions, feedstuffs, and lumber (Wakefield, 1937, p. 128). Of these traded commodities, sugar had the most influence over the performance of the Cuban economy. During the early twentieth century, the Cuban economy experienced drastic periods of growth and recession as a result of shifting global supply and demand for sugar. By 1920 US investors owned 62 of the 96 sugar refineries in Cuba and as American ownership increased, Cuban sugar exports to the US received increasingly favorable tariff reductions (Copeland, Jolly, &

Thompson, 2011). The close trade relationship with the US proved lucrative for Cuba, as it posted positive trade balances from 1914-1935 in all but one year, 1921 (p. 116).

**Table 3 Timeline of significant events in US-Cuba relations (USITC, 2001; Hufbauer, 2011; Copeland, Jolly, & Thompson, 2011)**

Year	Event
1898	US defeats Spain in Spanish-American War, ending Spanish occupation of Cuba
1902	US Congress passes Reciprocity Treaty establishing Cuban independence
1952	Fulgencio Batista leads military coup and seizes control of the Cuban government
1959	Fidel Castro assumes control of Cuban government, Batista flees Cuba US recognizes new Cuban government under Fidel Castro Cuba passes Cuban Agrarian Reform Law that seizes US owned plantations without compensation
1960	Cuba signs trade agreement with Soviet Union US imposes embargo on exports to Cuba and ends sugar import quotas from Cuba
1961	US and Cuba break diplomatic relations US-backed Brigade 2506 attempts military coup in Bay of Pigs, Cuba and fails US Congress passes Foreign Assistance Act
1962	Soviet Union delivers ballistic missiles to Cuba prompting the US to establish a military blockade in what would be called the <i>Cuban Missile Crisis</i> US Congress passes Cuban Assets Control Regulations
1963	US invokes Trading with the Enemy Act of 1917 to freeze Cuban assets in the US Organization of American States implements trade sanctions and severs diplomatic relations with Cuba
1975	Organization of American States removes collective sanctions against Cuba
1982	US bans business and tourist travel to Cuba
1989	Soviet Union collapses sending Cuban economy into recession US and Cuba cooperate to curb drug trafficking in the Gulf of Mexico
1992	US Congress passes Cuban Democracy Act
1996	US Congress passes Cuban Liberty and Solidarity Act (Helms-Burton Act)
2000	US Congress passes Trade Sanctions Reform and Export Enhancement Act
2006	Raúl Castro assumes temporary control of Cuban government as Fidel's health worsens
2008	Raúl Castro officially becomes President of Cuba President Castro institutes reforms allowing modest forms of private ownership and employment
2009	US President Obama loosens restrictions on travel, remittances, and telecommunications
2014	US President Obama and Cuban President Raúl Castro deliver speeches about effort to normalize diplomatic relations
2015	US announces regulatory changes to Cuba sanctions Presidents Obama and Castro meet at the Summit of the Americas in Panama US removes Cuba from list of state sponsors of terrorism US and Cuba re-open embassies Pope Francis visits Cuba
2016	US President Barack Obama visits Havana, Cuba and delivers speech supporting end of the embargo

Simultaneously, Cuban economic dependence on the US grew; meaning the passage of US legislation promoting trade liberalization or protectionism had greater impacts to the island economy. Table 4 and Table 5 display the share of Cuban imports and exports activity by top

trade partners between 1913-1936. The US, United Kingdom (UK), Spain, Germany, France, and British India were the largest Cuban trade partners (descending) at that time. At its peak in 1921-1922, the US accounted for 67.9 percent of Cuban imports by value (US dollars). The percentage of Cuban exports to the US was even more skewed, reaching a high of 85.5 percent in 1922-1923. Overall during this period, the US averaged a 59.7 percent share of Cuban imports and 76.8 percent share of Cuban exports. The next closest trading partner in terms of value was the UK that averaged a 5.5 percent share of Cuban imports and 12.8 percent share of Cuban imports. The US was Cuba's largest trade partner by far leading up the start of World War II. But this dependence also left Cuba vulnerable to politically motivated economic policy decisions from the US.

**Table 4 Cuban imports from principle trade partners, 1913-1936 (Wakefield, 1937)**

FOREIGN TRADE OF CUBA—IMPORTS FROM PRINCIPAL COUNTRIES												
(Thousands of Dollars)												
Country	1913	1921-22 <sup>1</sup>	1922-23 <sup>1</sup>	1926	1927	1928	1931	1932	1933	1934	1935	1936 <sup>2</sup>
Total . . . . .	140,133	184,085	226,189	260,826	259,384	212,817	80,112	51,024	42,362	73,388	95,465	94,000
From:												
United States . . .	75,288	124,987	151,491	160,052	159,056	129,349	46,017	27,653	22,674	41,225	55,674	60,458
United Kingdom	16,066	9,631	10,986	12,474	11,697	10,428	3,985	2,985	2,429	3,941	4,105	4,797
Spain . . . . .	10,033	7,739	10,453	11,516	10,619	9,383	4,183	2,979	2,613	4,051	4,819	3,312
Germany . . . . .	9,674	3,478	5,339	7,743	7,762	6,586	3,023	2,134	1,898	2,905	4,428	4,341
France . . . . .	7,332	5,281	7,835	11,873	12,460	9,624	2,851	1,688	1,215	1,456	2,437	2,440
British India . . .	....	....	....	16,506	15,684	16,067	6,918	4,546	4,056	4,580	5,145	2,362
Per cent of Total:												
United States . . .	53.7	67.9	67.0	61.4	61.8	60.8	57.4	54.2	53.5	56.2	58.3	64.5
United Kingdom	11.5	5.1	4.9	4.8	4.5	4.9	5.0	5.9	5.7	5.4	3.6	5.1
Spain . . . . .	7.2	4.2	4.8	4.4	4.1	4.4	5.2	5.8	6.2	5.5	5.0	3.5
Germany . . . . .	6.9	1.9	2.4	2.9	3.0	3.1	3.7	4.2	4.5	3.9	4.6	4.6
France . . . . .	5.2	2.8	3.4	4.6	4.8	4.5	3.6	3.3	3.0	2.0	2.6	2.6
British India . . .	....	....	....	6.3	6.1	7.5	8.6	8.9	10.8	6.2	5.4	2.5

<sup>1</sup> Fiscal year. <sup>2</sup> First 11 months.

NOTE.—Japan's share of Cuba's imports in 1931 and 1932 was 1% of her total imports in 1931 and 1932, 2% in 1933, 4.3% in 1934, and 2.7% in 1935.

**Table 5 Cuban exports to principle trade partners, 1913-1936 (Wakefield, 1937)**

EXPORTS OF CUBAN PRODUCTS—PRINCIPAL COUNTRIES												
(Thousands of Dollars)												
<i>Country</i>	<i>1913</i>	<i>1921-22<sup>1</sup></i>	<i>1922-23<sup>1</sup></i>	<i>1926</i>	<i>1927</i>	<i>1928</i>	<i>1931</i>	<i>1932</i>	<i>1933</i>	<i>1934</i>	<i>1935</i>	<i>1936<sup>2</sup></i>
Total . . . . .	164,070	283,721	428,385	310,709	322,705	278,070	118,866	80,762	84,391	107,746	128,017	145,664
To:												
United States . . .	131,187	215,750	368,399	242,882	255,192	202,535	89,074	57,482	57,112	81,094	101,550	114,841
United Kingdom	18,421	39,464	37,841	21,981	32,001	45,326	12,444	16,326	16,326	14,498	13,979	19,329
Germany . . . . .	4,648	618	407	1,676	2,271	2,785	1,531	675	675	793	2,275	2,088
France . . . . .	1,676	9,427	3,375	5,975	4,284	4,792	2,004	2,040	3,398	3,155	2,243	2,266
Canada . . . . .	2,786	....	....	4,584	4,652	3,797	898	600	531	521	255	215
Netherlands . . . .	....	....	....	3,618	3,146	1,995	908	652	439	859	924	993
Spain . . . . .	643	3,027	2,403	1,325	1,505	4,340	1,781	1,488	2,181	2,375	1,830	1,145
Per cent of Total:												
United States . . .	80.0	76.0	85.5	80.5	79.1	72.8	74.9	71.3	67.7	75.3	79.3	78.8
United Kingdom	11.2	13.9	8.8	7.3	9.9	16.3	13.9	15.4	19.3	13.5	10.9	13.2
France . . . . .	1.0	3.3	0.8	2.0	1.3	1.7	1.7	2.5	4.0	2.9	1.8	1.5
Spain . . . . .	0.4	1.1	0.5	0.4	0.5	1.6	1.5	1.8	2.6	2.2	1.4	0.78

<sup>1</sup> Fiscal year. <sup>2</sup> First 11 months.

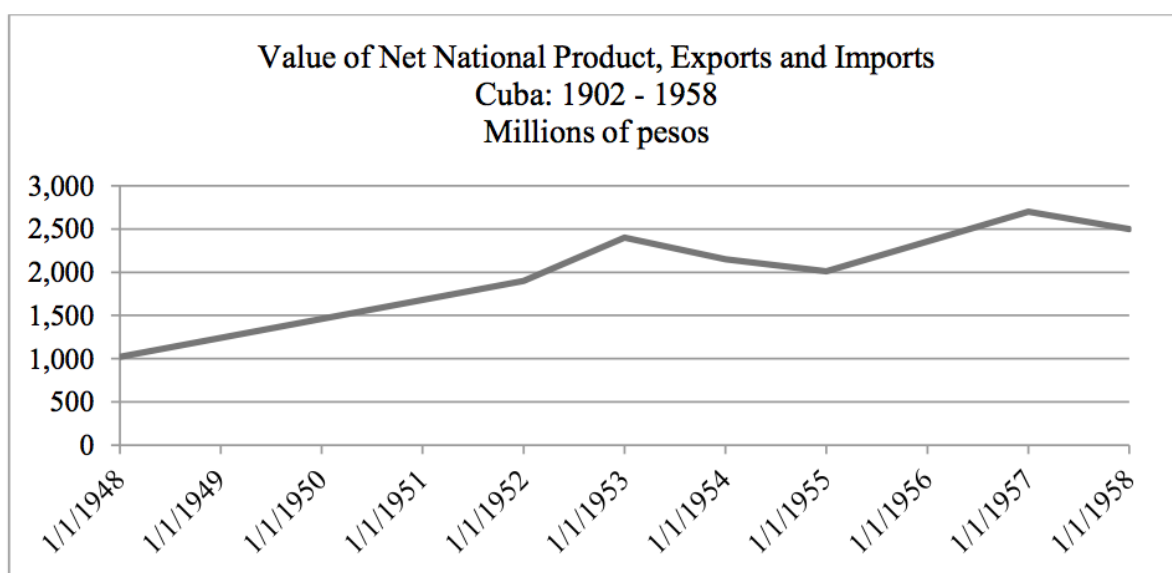
US policy actors', manipulation of trade policy in the early twentieth century contributed to significant economic fluctuations in the Cuban economy. Pre-embargo, US congressmen were the most influential policy entrepreneurs influencing US-Cuba relations. One of the earliest examples of this influence was the inclusion of the Teller Amendment in the 1898 US declaration of war against Spain that barred annexation of Cuba. The purpose of the amendment was to protect US sugar beet farmers from competition with Cuban sugar; an important issue for Senator Henry Teller who represented Colorado sugar beet farming interests (Library of Congress, n.d.). Subsequently, the Organic Act of 1900 (Foraker Act) further restricted US investment in Cuban plantations diminishing the production of tobacco and other agriculture products. Despite the occupation restrictions outlined in the Teller Amendment, the Platt Amendment of 1901 granted the US an indefinite land lease in Guantanamo Bay and also established the US' right to intervene in Cuban affairs to defend life and property interests (Wakefield, 1937, p. 126). The Cuban economy grew as result of preferential trade with the US but the passage of the Fordney-McCumber Tariff Act raised average US import tariffs leading to a global rise in tariffs by other nations and cost of living increases in the American agricultural

sector. The Great Depression of 1929 drove US immigrants from Cuba and the ensuing passage of the Smoot-Hawley Tariff Act in 1930 hurt the Cuban sugar, tobacco and citrus trade. Import tariffs were set at 14 percent for sugar and an average rate of 69 percent for other agricultural products (Copeland, Jolly, & Thompson, 2011). By the end of the 1930's the world's major economic powers were preparing for what would be World War II, while political instability began to spread across Cuba due in part to the rising influence of Fulgencio Batista Zaldívar, Cuba's top policy entrepreneur for the next three decades (American Experience, 2004).

Throughout the 1930s, 1940s, and 1950s US foreign investment and the policies of politico Batista and his associates defined the Cuban economy; ushering in an age of extraordinary government spending on economic development but producing few realized returns for the Cuban people. As explained by American Experience (2004), Batista first served as president from 1940-1944, but it was not until he launched a coup and seized control of the Cuban government during the 1952 elections that he was able to institute his economic vision. The Constitutional Act of 1952 granted Batista far-reaching powers to legislate, punish by execution, suspend rights for national security purposes, and it further centralized government power in Havana (McGuigan, 2012, p. 100).

The Batista-led government embraced trade liberalization by re-committing to GATT membership, negotiating new trade agreements with Europe and Latin American nations, and reduced taxes by 2 percent on foreign remittances. Batista's economic policies were influenced by Keynesianism, which supported government intervention to stimulate demand. This plan would eventually be known as the *Programa económico mínimo*. This spending came in the form of large public works projects, diversification of non-sugar related agriculture production, and the provision of low-rate credit and working capital for other economic development

projects. Increased US tourism was also seen as a way to diversify the economy and Batista invested significant public money into expanding the hotel and gaming industries under the guidance of know American mafioso Meyer Lansky, who served as gambling reform advisor (p. 159). But internally, the Batista economy was rife with wasteful public works projects (of which he benefitted personally), corruption, political cronyism, and disenfranchisement of the general Cuban public (McGuigan, 2012, pp. 308-316). By 1953 Cuban exports to the US were on the decline (down 30 percent from 1951), sugar prices were falling, unemployment rose from 8.4 percent to 25 percent, and the Net National Product was on the decline as seen in Figure 7. Social unrest grew and on July 26 a group of insurgents, directed by Fidel and Raúl Castro, led an unsuccessful attack against Moncada Barracks, signifying rising the dissatisfaction with Batista.



Source: National Bank of Cuba, *Memoria 1956 – 1957*; University of Miami Cuban Economic Research Project, *Stages and Problems of Industrial Development in Cuba* (Coral Gables, 1965) 99.

**Figure 7 Cuban Net National Product (NNP) from 1948 to 1958 (McGuigan, 2012, p. 139)**

The Batista regime had many economic shortcomings from 1952-1958 that contributed to its eventual end including the increase in national debt to more than 50 percent of GDP, reduction of cash and gold reserves, decline of average per capita income, and chronic

unemployment. McGuigan (2012) argues that the end of Batista's rule in 1958 was a direct result of his prioritization of economic development programs at the expense of bolstering defenses from Castro's military advances. By 1958 the unemployment rate had jumped from 8.9 percent to 18 percent causing greater social unrest and shifts in support for Castro (p. 307). Batista's struggles economically and politically reflected poorly towards the rest of the world, eventually leading the US to withdraw its support (American Experience, 2004).

At the time of Batista's resignation in 1958, the US comprised 67 percent of Cuba's exports and 70 percent of its imports and it was estimated that the US operated 75 percent of arable land in Cuba. On the US side Cuba accounted for 3 percent of US exports and 4 percent of imports (USITC, 2001, p. 3-1; Copeland, Jolly, & Thompson, 2011). According to Hufbauer et al. (2011) the US government initially recognized Fidel Castro as president. However Castro's 'revolutionary law' called for the mandatory 30 percent labor share of profits, and the nationalization of the telephone and electric utilities. Next, the Cuban Agrarian Reform Law of 1959 seized US owned plantations, which was followed by Castro's signing of new trade agreements with the Soviet Union for the sale of sugar and other products in exchange for Soviet crude oil in 1960. This prompted US President Dwight D. Eisenhower to end most of its Cuban sugar quotas and oil exports, provoking Castro to seize most US property on the island (sugar and fruit companies, oil refineries, utilities, banks). Finally in October of 1960, the US enacted broad economic sanctions against Cuba codified into law in 1962 with the passage of the Foreign Assistance Act, section 620(a) (Hufbauer et al., 2011; USITC, 2001). Presidents Fidel Castro and Dwight Eisenhower were the most significant policy entrepreneurs of this *revolutionary* period contributing to the opening of a policy window in US-Cuba relations that came to be defined by an economic embargo.



*The Embargo Effect*

It is difficult to assess the economic impact attributed solely to the US embargo of Cuba. The difficulties in measuring the embargo's impact are attributed partly to Cuba's non-market economy, reliance on assistance from foreign trade partners, lack of data reporting to institutions like the IMF, incompatibility of Cuban economic data with international standards, and the complications of a 'dual' currency economy dealing in ordinary Cuban pesos (CUP) and convertible pesos (CUC). The United States International Trade Commission (USITC) (2001) argues that three additional economic factors have contributed to the performance of the Cuban economy in the latter half of the twentieth century: the economic collapse and breakup of the Soviet Union, concurrent multilateral sanctions from other organizations, and Cuba's own domestic policies (pp.1-4, 1-5).

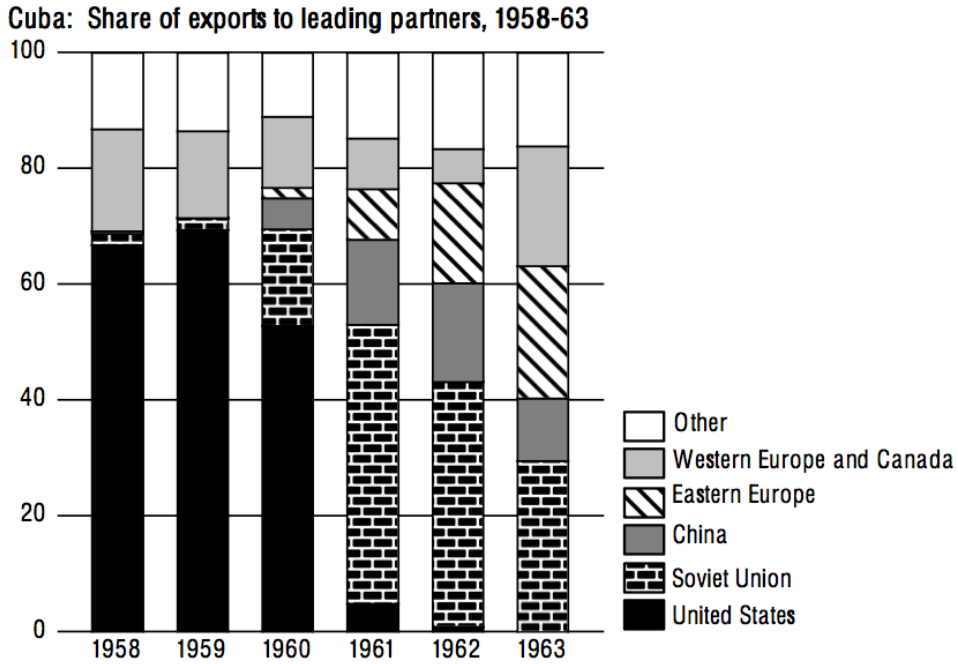
**Table 6 US exports and imports to Cuba and the rest of the world from 1957-1964 (USDOC, 1967)**

	1957	1958	1959	1960	1961	1962	1963	1964
	<i>Pre-Castro Cuba</i>			<i>— First years of Castro Government in Cuba —</i>				
					<i>— Comprehensive U.S. sanctions begin —</i>			
U.S. exports to world (million dollars)	20,850	17,910	17,634	20,575	21,000	21,700	23,347	26,508
to Cuba (million dollars)	617	547	439	224	14	13	36	0
percent to Cuba	3.0	3.1	2.5	1.1	0.1	0.1	0.2	0
U.S. imports from world (million dollars)	13,255	13,255	15,627	15,017	14,714	16,389	17,138	18,684
from Cuba (million dollars)	482	528	475	357	35	7	0	0
percent from Cuba . . . . .	3.6	4.0	3.0	2.4	0.2	0.1	0	0

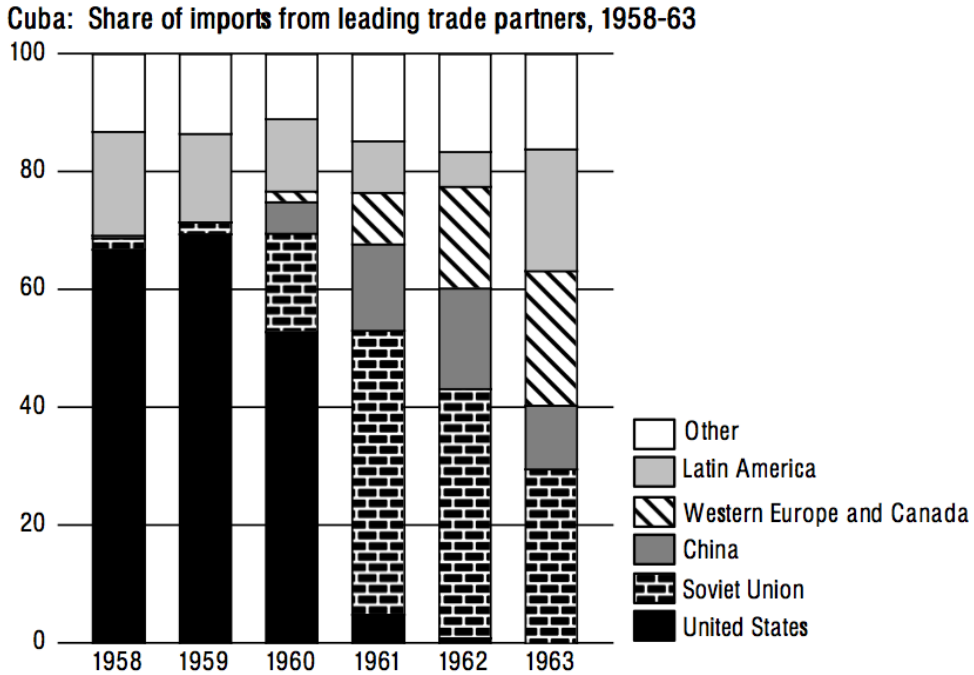
US-Cuban trade was already on the decline before establishment of the embargo that saw US exports to Cuba drop 59 percent over two years starting in 1958 as seen in Table 6. US

imports from Cuba also suffered a similar but less steep decline over that time. The immediate effect of the trade embargo was to continue that decline, which was accelerated due to additional conflicts like the Soviet missile crisis in 1962. Impact to US economy was negligible outside of initial property losses, as the US found alternative import and export partners to replace Cuba's contribution (Bennett, 2004; USITC, 2001). Cuba's new trade relationships with the Soviet Union, China, Eastern and Western Europe, Canada, Latin America and other nations quickly supplanted its former trade activity with the US (see Figure 8 and Figure 9). Between 1958 and 1963 the US' share of Cuban exports fell from 67 percent to zero while import suffered a similar fate falling from 70 percent to zero.

The Cuban economy increasingly diversified its trade partners after establishment of the US embargo in 1960, as evidenced by new trade agreements on sugar Spain, France, and the UK. Initially, the US embargo affected the trading behavior of other nation's with Cuba, as seen in Figure 8, where Western Europe and Canada's share of Cuban exports temporarily reduced before returning to pre-embargo levels in 1963. Cuban imports from Latin America followed a similar pattern of temporary decrease and return to pre-embargo levels (Figure 9). Post-embargo, Eastern Europe and China opened up as an export markets for Cuban goods, while Western Europe, Canada, and China's combined share of Cuban imports grew to rival that of the Soviets by 1963.



**Figure 8 Share of Cuban exports to chief trade partners immediately before and after the US embargo, 1958-1963 (UN, 1963, p. 273)**



**Figure 9 Share of Cuban imports to chief trade partners immediately before and after the US embargo, 1958-1963 (UN, 1963, p. 273)**

*The Post-Embargo Cuban Economy 1960-1989*

The post-embargo Cuban economy was defined by a deepening relationship with the Soviet Union, additional sanctions from the US and members of the Organization of American States (OAS), and modest domestic policy reforms. In 1962, the US revoked Cuba's preferential tariff treatment and most favored nation status, increasing tariff rates on all Cuban goods. The passage of the Cuban Assets Control Regulations the following year froze all Cuban assets in America, prohibited financial and commercial transactions with Cuba, barred direct or indirect exports to Cuba, and barred direct or indirect imports from Cuba except \$100 worth of specific goods. The OAS, established in 1948 as a regional alliance in the Americas, was comprised of 21 original member nations including Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, US, Uruguay, and Venezuela. OAS imposed diplomatic and economic sanctions against Cuba in 1964, further obscuring the economic impacts attributable solely to the US embargo. This trade barrier proved temporary as within a year, OAS members began to negotiate new trade deals with Cuba independently (USITC, 2001, pp. 1-5, 2-2).

According to the USITC (2001) the 1970s brought a relaxing of sanctions against Cuba while the 1980s and 1990s were marked by tightened economic restrictions. OAS voted to lift multilateral sanctions against Cuba and the US followed suit, loosening restrictions on trade between US subsidiaries and Cuba, relaxing restrictions on American travel to Cuba, and signing agreements on anti-hijacking, fishing rights, and maritime boundaries. The US and Cuba established unofficial diplomatic relations signified by the opening of interest sections in Washington DC and Havana. The election of President Ronald Reagan in 1980 saw the US discontinue normalization efforts and reinstitute the American travel ban to Cuba with few exceptions. Senator Connie Mack's (R-Florida) amendment, first introduced in 1989 that

renewed prohibition of US foreign subsidiary trade with Cuba, eventually passed in 1992 under the Cuban Democracy Act (CDA) legislation (USITC, 2001; Copeland, Jolly, & Thompson, 2011). Throughout this ebb and flow of sanctions, the Soviet Union's influence remained a stabilizing force in the Cuban economy.

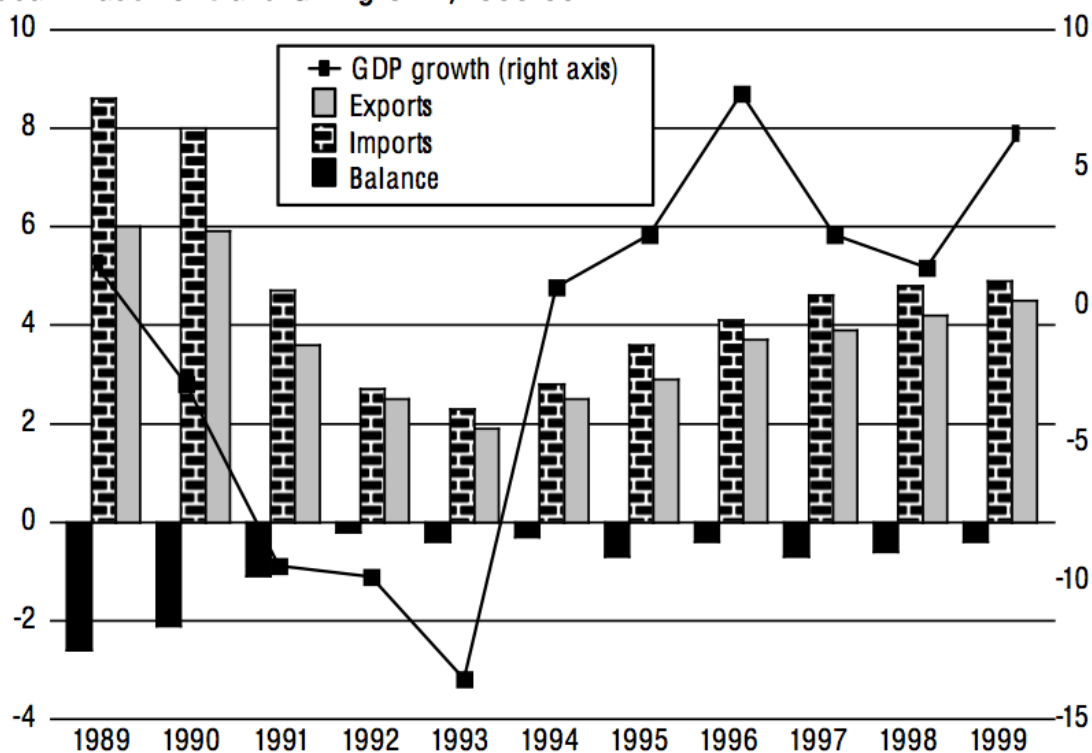
Cuba remained heavily reliant on its benevolent trade relationship with the Soviet Union from 1959 to 1989; a position that would prove detrimental with the dissolution of the Soviet Union in 1991. In 1972 Cuba joined the Council for Mutual Economic Assistance (CMEA) and signed agreements with member nations that guaranteed above market prices for Cuban goods, in effect creating an export subsidy for their economy (p. 3-6). Created as an alternative to US Marshall Plan to rebuild Europe after World War II (WWII), the CMEA was directed by the Soviet Union and it included at various times the following official members: Bulgaria, Czechoslovakia, Hungary, Poland, Romania, Albania, East Germany, Mongolia, Cuba, and Vietnam. Over the next decade, the USITC (2001) estimates that Cuba was receiving \$6 billion in annual economic assistance from the Soviets (p. 1-9). Cuba tourism declined greatly as a result of the US travel ban, of which tourism from the Soviet bloc nations could not replace. To address the lagging tourism sector, the Cuban government passed Decree Law 50 in 1982 that, for the first time under Castro, allowed joint ventures between foreign private investors (as minority partners) and Cuban government owned enterprises (p. 3-7). Decree Law 50 was the first step in a long path of economic reforms that would become known as the *special period* after the loss of Soviet economic assistance.

#### *The Breakup of the Soviet Union, 1990-1999*

The breakup of Soviet Union and the end of its economic support was devastating to the Cuban economy, causing recession and forcing the Cuban government to respond with economic reforms. Bain (2010) describes the political changes during the transition from the Soviet Union

to Russia, including disappearance of Marxism-Leninism from foreign policy, decrease in Cuba's geopolitical significance, and embrace of a market economy under the first president of the Russian Federation, Boris Yeltsin (p. 131). At the time of the break up, Cuba was receiving somewhere between \$4 billion-\$6 billion in economic assistance from the Soviets (USITC, 2001, 3-8). When that support stopped Cuba lost its stable supplier of credit, subsidized oil, agricultural equipment and other agricultural products as well as its largest export market. The economic fallout included a 54 percent reduction in Cuban agriculture production, the total collapse of its fishing industry, an estimated 40 percent loss of real GDP between 1989-1993, a two-thirds reduction in exports, and a three-fourths loss of imports (Copeland, Jolly, & Thompson, 2011; USITC, p. 3-10). Figure 10 shows the rapid decline in GDP growth rate from 1989 to a low of -14.9 percent in 1993 (right-side axis). Mesa-Lago (2006) argues that the combined losses in GDP, foreign trade, and Soviet aid led the Cuban government to institute a temporary reform initiative termed the *Special Period in Time of Peace*, addressing Cuban domestic and international policies.

**Cuba: Trade flows and GDP growth, 1989-99**



**Figure 10 Cuban imports, exports, trade balance, and GDP from 1989-1999 (USITC, 2001, p. 3-11)**

The post-Soviet Union years in Cuba were a time of recession, reform, and recovery influenced by actions made during the *Special Period in Time of Peace*. The related reforms, passed mainly between 1993-1996, included,

“legalization of the dollar and foreign remittances; decentralization of economic decisions and management both domestic and in external trade; transformation of state farms into cooperatives (UBPC), reopening of free agricultural markets, and distribution of small state land parcels to private farmers; reauthorization of self-employment; insertion in the world trade market, opening to foreign investment and technology, authorization of joint ventures; expansion of tourism, etc” (Mesa-Lago, 2006, pp. 161-162)

Though novel for the Castro regime, Mesa-Lago (2006) describes these reforms as falling short of similar recent liberalization efforts made by China, Vietnam, and Eastern European nations. For example, Chinese and Vietnamese reforms ended collective agriculture models and embraced household farms and less restricted agricultural markets, while Cuba converted its state-owned farms into cooperatives (*Unidades Básicas de Producción Cooperativa*) lacking autonomy and the ability to compete in a competitive marketplace (p. 176). The agricultural reforms did succeed in shifting the control of farmland from the Cuban government to cooperatives and private farmers. After the Soviet collapse, economic instability led to a greater demand for foreign hard currency (US dollars) among the Cuban people and black markets where locals could exchange dollars for pesos developed. To combat this trend, the Cuban government decriminalized the use of foreign currency and in 1994 introduced the convertible peso, which institutionalized the dual currency economy. Business involving sugar and most other agricultural production, education, and healthcare deal in the original Cuban peso (CUP) while tourism and export-oriented agriculture production deal in convertible pesos (CUC). The CUC contributed to a tourism boom starting in 1994 that eventually overtook sugar production as the main hard currency generator (USITC, 2001, pp. 3-13, 3-24).

Other reforms in labor, finance, and governance contributed to Cuba's economic growth in the latter half of the 1990s. Cuba legalized limited forms of self-employment that further reduced Cuba's government spending on employment and limited its responsibility in providing some goods and services for the Cuban people. Over this time Cuba modernized its banking sector by switching to a digital system, installing automatic teller machines around the island, and establishing a new central bank, Banco Central de Cuba, in 1997. In an effort to improve fiscal management, the Cuban government cut spending on government-owned enterprises,



defense, and investment while re-introducing direct taxation and legalizing rental property. Cuba pursued increased participation in multi-national trade associations in the Caribbean (CARICOM), Latin America (Latin American Integration Association, Mercosur), and also sat in on negotiations between the European Union (EU) and Africa, Caribbean and Pacific countries, though Russia remained Cuba's largest trade partner. In 1992 Cuba authorized import activity by government-owned firms through constitutional amendment. Meanwhile Decree Laws 77 and 165 expanded foreign participation into the Cuban market. These two laws approved foreign investment in all Cuban sectors except education, healthcare, and defense, added more protections for foreign investors, approved joint ventures between the Cuban government and foreign firms, authored, industrial parks and free trade zones, and barred foreign companies from hiring Cuban labor directly. This labor provision added a new level of bureaucracy with the Cuban government acting as a middleman driving up the cost of Cuban labor compared to other Caribbean nations (USITC, 2001, pp. 3-15, 3-17, 3-22, 3-23).

Despite its economic inefficiencies, *special period* reforms were effective in stabilizing the economy, as by 1994 GDP rate was again positive and trade imbalance was narrowed (Table 7). Throughout this period, living standards remained stagnant due to Cuba's dual currency system (CUP vs. CUC), lack of foreign direct investment, downsizing of the sugar industry, and persistent hard currency debt. The *special period* can be seen as continuation of 1980s economic policy that stressed import-substitution to support local industry and to conserve as much foreign hard currency as possible.

US policy entrepreneurs at the national level were also active during the *special period* as Congress passed the CDA in 1992 and the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (Helms Burton Act) that further solidified the embargo into law and harmed the

Cuban economy in a time of instability (Lisio, 1996; Copeland, Jolly, & Thompson, 2011). USITC (2001) argues that this was the first time in the history of the embargo that Cuba felt the pain of US sanctions, due to the lack of Soviet subsidies to offset the effects of trade restrictions. CDA had a specific impact on trade flows in the Gulf of Mexico because it prohibited US-subsidary companies from trading with Cuba and it placed a 6-month moratorium on any ships, carrying goods or people, originating from Cuba destined for US ports. These two restrictions hindered Cuba's ability to import food and medicine, and it forced Cuba to import goods from further away at a higher cost (p. 3-31). The Helms-Burton Act notably tied the lift of the embargo to the settlement of seized property claims, while also allowing Americans to bring legal suit against any entity profiting from use of seized property in Cuba; a stipulation that concerned foreign allies in the America's and Europe that house US subsidiary companies actively trading with Cuba.

Despite the negative impacts of these two pieces of US legislation, Cuba's macroeconomic indicators show a clear rebound from recession towards the end of the decade as seen in Table 7. After three straight years of GDP decline, Cuban GDP grew at a rate of 6.3 percent in 1999. Cuba also saw a reversal in the trend of negative inflation, tourist arrivals expanded rapidly with national revenue following a similar growth trend, exchange rates for the domestic peso stabilized. Foreign debts and trade balance remained relatively constant during the recession and recovery years. Based on these reforms, the US government once again pivoted on Cuba over humanitarian concerns and Congress passed TSRA in 2000, authorizing export of agricultural products, medicine, and medical products (Copeland, Jolly, & Thompson, 2011). The 1990s was a decade defined once again by national policy entrepreneurs with policymaking authority in the US and Cuban federal governments.

**Table 7 Macroeconomic indicators for the Cuban Economy from 1989-1999 (USITC, 2001, p. 3-27)**

Cuba: Macroeconomic indicators, 1989-99											
	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
GDP growth (percent) <sup>1</sup>	1.5	-2.9	-9.5	-9.9	-13.6	0.7	2.5	7.8	2.5	1.2	6.2
Inflation (percent) <sup>1</sup>	NA	NA	NA	NA	NA	NA	-9.8	-7.3	-1.1	2.9	-2.9
Trade balance (billion dollars) <sup>1</sup>	-2.6	-2.1	-1.1	-0.2	-0.4	-0.6	-1.4	-1.6	-2.3	-2.8	-2.8
Current account (percent of GDP) <sup>2</sup>	-14.4	-12.2	-8.3	-2.6	-2.3	0.5	-2.4	0	-2.2	-1.9	NA
Foreign debt (billion dollars) <sup>2</sup>	NA	NA	NA	NA	4	10.2	11.7	11.7	11.4	12.5	11.1 <sup>1</sup>
of which, short term (billion dollars) <sup>2</sup>	NA	NA	NA	NA	4	7.4	8.6	7.4	7.0	7.7	NA
total debt (percent of GDP)	NA	NA	NA	NA	4	63.3	68.7	61.9	57.6	61.4	NA
Debt service ratio (percent) <sup>3</sup>	NA	NA	NA	NA	4	21.2	24.1	21.3	20.5	22.6	NA
Tourist arrivals (thousands of visitors) <sup>1</sup>	NA	340	424	461	546	619	745	1,004	1,170	1,416	1,603 <sup>1</sup>
Revenue (million dollars) <sup>1</sup>	NA	243	387	567	720	850	1,100	1,350	1,546	1,816	NA
Exchange rate (pesos per U.S. dollar)											
Convertible peso (official rate) <sup>2</sup>	1	1	1	1	1	1	1	1	1	1	1
Domestic peso (floating rate) <sup>2</sup>	45	68	120	150	137	95	32.1	19.2	22.8	22.3	20 <sup>1</sup>

<sup>1</sup> Central Bank of Cuba, *Economic Report, 1999*, April 2000.

<sup>2</sup> Economist Intelligence Unit (EIU), *Cuba: Country Profile, 1999-2000*.

<sup>3</sup> Debt service as a percent of earnings from exports of goods and services. EIU, *Cuba, Country Profile, 1999-2000*.

Note.—Data for 1989-1993 obtained from United Nations Economic Commission for Latin America and the Caribbean, *La Economía Cubana: Reformas estructurales y desempeño económico en los noventa* (Mexico: United Nations, 1997), various tables.

### *Modern-day Cuban Economy 2000-Present*

Recent national polling suggests that American perceptions towards Cuba are changing, even as some US political actors remain opposed to ending the embargo, which continues to distort a Cuban economy that has struggled in recent years. The CIA Factbook (2015) indicates that Cuban GDP is currently growing at an annual rate of 2.7 percent and is comprised of services (73.5 percent), industry (22.4 percent), and agriculture (4 percent). The Cuban government still exercises broad influence over the economy, exemplified by the 72.3 percent state-sector employment compared to 27.7 percent employment in non-state sector. Moreover, 72 percent of the workforce is employed in the service sector, 18 percent in agriculture, and 10 percent in industry. Unemployment remains low, estimated at 3 percent in 2015. Cuban commodity imports heavily outweigh exports at approximately \$15.24 billion compared \$4.41 billion. Top imports include petroleum, food, machinery and equipment, and chemicals while Cuba's main exports are petroleum, nickel, medical products, sugar, citrus, fish, tobacco, and coffee (Copeland, Jolly, & Thompson, 2011).

Venezuela is currently Cuba's largest import (38.7 percent of total) and export (33.5 percent of total) partner. According the EIA (2015), Cuba produces less than a third of the oil

that it consumes making it a net oil importer. Their largest oil supplier is Venezuela, with whom they receive 115,000 barrels of oil per day at a discounted rate (oil subsidy). Cuba then re-exports some of this oil on world markets at a profit, similar to past sugar-related agreements with the Soviet Union. Toro (2015) points out that the Venezuelan oil subsidy is worth more than \$3.6 billion to the Cuban economy; higher than the \$2.6 billion in revenue from tourism and the \$3 billion in remittances from Cubans in the US. The recent decline in the global price of oil and its prolonged slump has hurt both the Venezuelan and Cuban economies. For the latter, this is a loss of a significant source of revenue and foreign hard currency crucial to the short-term viability of the Cuban economy.

Beyond US economic sanctions, the USITC (2001) claims that the Cuban economy suffers from bureaucratic inefficiencies, outdated technology, dispirited labor, and foreign exchange shortages. Due to this confluence of political, social, and economic factors it remains difficult to project US-Cuba trade activity in the absence of the US embargo. It is estimated that with a lift of the embargo, the US would account for 17-27 percent of Cuba's total imports and 7-15 percent of total exports (p. 2-20). But for this shift to occur, Cuba would need to divert trade from current partners to the US minimizing the net impact to the Cuban economy. The USITC did find areas of significant opportunity for new foreign exchange flows within telecommunications, tourism, and foreign direct investment.

In the coming years Cuba faces obstacles toward improved economic performance concerning demographics shifts, self-employment restrictions, ideological conflicts, and capital shortages. For the first time in many years, Cuba is experiencing a negative population growth rate due to, "low birth rates, high levels of ageing, and a sustained growth in the emigration of youth and qualified people." (Hernández & Foladori, 2014, p. 38) Cuban entrepreneurs are some

of the highest skilled and lowest cost labor in the world, yet still struggle to find adequate opportunities for self-sufficiency because of outdated tax systems, technology, and infrastructure (Henken, 2016). The management of diplomatic relations with various policy entrepreneurs from the US, Russia, Venezuela etc. under President Raúl Castro will play a major role in shaping the Cuban trade flows (Mervyn, 2010). President Castro is currently Cuba's most influential policy entrepreneur at the national level. Lastly, Bennett (2004) highlights the Cubans lack of foreign capital as a major hindrance to expanded trade with the US. New trade agreements would likely be the result of diversion from other partners until Cuba could attain greater access to credit or buildup their hard currency reserves through increased tourism and foreign remittances.

## **Chapter Five**

### **A Policy in Flux, Away from Economic Embargo**

The US embargo of Cuba is an economic policy that is currently in flux, a common view shared by interview participants. Within an MSA framework, present day US-Cuba relations are at a tipping point, where the policymaking process is especially vulnerable to influence from policy entrepreneurs (Kingdon, 1995, p. 165). Interviews revealed that these policy entrepreneurs operated at three separate scales of society: individual, state, and national. Since 2000 they have acted purposefully to change the political, economic, and social relationship between the US and Cuba, which set the stage for the opening of a new policy window in 2014. Over this time, their actions can be organized into three categories: political, economic, and symbolic. The following qualitative results describe how these actions contributed to a change in the embargo policy.

#### **Policy Entrepreneurs at the Individual Level**

Individual policy entrepreneurs operate at the lowest level of organized policy advocacy; essentially how individual actions can help achieve a desired policy outcome. They are motivated by personally held beliefs and their thought processes are focused on impacting individuals through policy change. In the case of US-Cuba relations, qualitative interviews revealed five distinct types of individual policy entrepreneurs represented by Cuban entrepreneurs, Cuban historical exiles, pro-outreach Cuban Americans, recent Cuban immigrants to the US, and American businesspeople. They acted politically, economically, and symbolically in support of reductions to the embargo within open policy windows, while also seeking to influence public opinion while US policymakers' attention on Cuban relations was low.

The ability of policymakers to accomplish US foreign policy goals is hindered by what Zahariadis (2014) refers to as problem load (p. 32). The number of complex problems on a changeable foreign policy agenda leads to information overload and in an effort to appear effective, forces policymakers to focus their attention to a small set of accomplishable policy solutions. This leaves more complex issues unresolved. Under that political setting, the Fidel Castro-led government has carefully cultivated a Cuban national identity based on revolution through the transformation of public space and control of mass media. This propaganda effort hinges on the perception of continual external threat and bureaucratic opacity, creating a culture of political uncertainty. One respondent, who was born in Cuba but now resides in the US, described the ideological environment as,

...it's this revolutionary fervor. The revolution was very moralistic. You know, the () new man had to be the perfect man who would not need -- who would not be driven for the desire for consumption or commodities or would not enter into commodity exchange mechanisms, but would be driven for his fervor for the revolution and for the improvement of society. So it's not a question of how much you are going to get paid to do this job.

You want to do this job because it's what's good for the island. So it's that sense of devotion and self-sacrifice that went along with this weird sexual repression. (Subject D)

Just like under the Batista regimes of the 1950s, Castro's revolution was very much connected to the economy. But unlike Batista, its message was a rejection of capitalistic ideals and the notion that individual satisfaction came from national collective benefit not self-gratification through consumption. This sentiment was expressed in public media campaigns such as those shown in figures 11 and 12.



Figure 11 Government media campaign in Cienfuegos, Cuba; English translation, “Our duty: Produce for the people!” (Griffith, 2016)



Figure 12 Government media campaign in Viñales, Cuba; English translation, “To have more, we must start producing more” (Morganti, 2011)



The Cuban government's campaign was the ideological opposite of American principles based on the freedom of self-actualization through political and economic participation. Consequently, competing propaganda initiatives from both nations have skewed the perceptions of everyday life in Cuba and America. One participant recalled her first experience traveling to Cuba and the significant difference between her perceptions and the reality,

I got involved about 2000. The fact that -- my interest was in the historic buildings in particular because Havana was one of -- was designated as one of the heritage cities in the world. So, you know, that's why I went. I am 68 years old and I grew up in an era of the Cuban missile crisis. And you know, certainly being told by all the news media and my parents and everyone, you know, that the situation in Cuba was -- the Cubans were communists and, you know, not good people basically.

...So my experience was when I got there, especially when I landed, I think the first time a person ever lands in a communist country that it sort of takes your breath away. It's like, oh my god, what am I doing here?

You know, what is all this about? One of the first things that happened, the first time I went down I actually went with a mayor, ()...So I went down with him, my husband and I and a news reporter () and one of the city council members, we all went down together...So as I said, I went down there to look at buildings and, you know, absorb the architecture. Well the first thing that I noticed was that it was nothing like I was expecting. And when we went to the airport -- went through the airport, I noticed there was a VIP lounge. You know, I was raised on this -- I get it, communism was everybody is alike, you know. There are no VIPs.

And here, there's a VIP lounge and we are escorted in there as VIPs coming in. That was probably my first, you know, the veil was being lifted from my eyes. And as I -- I spent a week there and by the end of the week -- in fact, probably by the end of the first 24 hours, I realized that Cuban people were lovely, charming people who love America, love everything American, wanted American clothes, wanted American music, wanted everything from there.

They listened, you know, their radios were just regular AM radio stations. You know, on a good night with good weather they could hear a baseball game from Miami broadcast. Just because they had been under a dictatorship and a communist regime, they have not in any way forgotten about what free trade is all about. Everybody there wanted to sell you something, they wanted to create something for you...They wanted to earn money. And it was just an amazing trip for me. And at the end of the trip as we were going through the airport, I was talking to Mayor () and I -- you know, I was bugging him about, you know, why can't we do something about this? Why don't we do this? Why don't we do

that? And he turned to me and he said, you do something about it. And I said, well you know what, I think I will. (Subject G)

In this passage, she communicated her surprise that Cuba had some nice facilities at the airport not unlike what she might find in America. She believed the Cuban people would be anti-America, anti-capitalism but she realized they welcomed American tourists and the entrepreneurial opportunity that they represented. American journalists received similar treatment, enjoying the relative freedom to move about and document Cuban society, but in an exchange with one participant, they described the different ways the Cuban government maintained control,

D: Foreign journalists are -- once you get your visas, a journalistic visa, they're free to come and go. I don't get a sense -- when we went down with this group last year -- it was actually exactly a year ago -- we brought an embedded journalist from () and his cameraman. And got him the visa which is hard to get quickly and they brought all their equipment with them and the only thing they were not allowed to bring into the country because you are not allowed to bring them into the country are walkie-talkies. You can't even bring toy walkie-talkies with you because they could be used to incite a crowd.

KG. Oh.

D: You're allowed to have cell phones so it doesn't make any sense.

KG: Yeah, that's what I was just about to say.

D: This is an old restriction [...]

D: So anyway -- so no, they were not at all -- never communicated to me that they felt followed and went all around and filmed all around and interviewed lots of people. So it was a good experience. There's lots of journalists there now, not just from American publications but also international journalism. Reuters has an agency as does AP. Cuban journalists -- the interesting thing about their counterparts is that they are very smart, they are very well trained, and it's a very good journalism school, but the problem is that they don't -- to make the stuff public. That's the problem.

KG: You can research all you want, but just --

D: And now there's an independent journalism movement that's working more with smaller communities and trying to empower the community through journalistic research

and primarily online stuff. Though penetration is very low with the internet, it's better now than it was. So it's growing.

KG: Okay. And that actually kind of leads me to one of my last questions here, but more so if and when the embargo is lifted and different industries that are looking to -- which industries do you will gain? I've read things about, you know, the telecommunications. You mentioned the rice growers.

D: You know Google was down there last year. And apparently, and of course I don't know, but the word on the street is that they came in and they offered to wire the entire island.

KG: Really?

D: Yeah. And that the island said no. The government said no, which I understand perfectly --

KG: Yeah.

D: -- because, you know, in a society that is predicated at maintaining control through state ownership and control, to give up something that would have such enormous repercussions from Cuban society to an American company makes no sense whatsoever. So they would rather struggle through what they're doing now which is a very phased in diffusion of the internet. They've had a cable that comes from Venezuela that's very good. It's a very good fast connection out of the east. But they only hooked up certain government offices to those feeds and now it's slowly -- they're building public Wi-Fi spots. You still have to pay, but at least you have it [...]. So it's a fascinating phenomenon if you're walking down the street and you don't realize it's a Wi-Fi spot. They say, hey, mom, how are you? People talking into their phones. Crazy.

Her statement is indicative of the Cuban government's position towards reform. They will change policy at a pace that allows them maintain control. For example, internet is available at these aforementioned Wi-Fi hotspots but it must be purchased by the hour (2 CUC) from the government-owned telecommunications company Empresa de Telecomunicaciones de Cuba S.A. (ETECSA). But offices regularly lack sufficient supplies of Internet access cards (*tarjeta de internet*), each with a unique username and password. This unfulfilled demand has led to the creation of an informal Internet access code market. Any given day one can find someone selling unlicensed Internet access codes for 3 CUC in true capitalist fashion.

In addition to limiting the freedom of information, Subject I listed other forms of government oppression in more economic terms. Firstly, government salaries are insufficient to cover Cubans living expenses so many people are forced to work second jobs to make ends meet. Secondly, the lack of access to goods like household appliances, which even if they are available the price is often too high. Another respondent identified areas of the economy lacking adequate flexibility and support like entrepreneurship and real estate. Due to their geographic proximity the economic fate of Cuba is tied to the US in what one Cuban respondent called the “US lens”. He went on to express that if it was not for the strategic location of Cuba, “why would the rest of the world care otherwise?” (Subject Q) It is within this context that individual policy entrepreneurs took specific actions to demonstrate that the embargo had missed its intended mark; instead of undermining the Cuban government’s power, it had harmed the individual Cuban people.

*Cuban Entrepreneurs.* The economic oppression of the Cuban people was reduced somewhat by economic reforms made by President Raúl Castro. They allowed for increased entrepreneurial activity and Cuban entrepreneurs capitalized on that opportunity. The creative ways in which Cubans earned supplemental income contributed to their role as policy entrepreneurs. Though the US embargo has reduced their access to goods and their own government has restricted their labor options, they continue to find ways to exploit every opportunity.

In a dual currency system the best business opportunities are those involving tourists who spend the higher value CUC currency. One American respondent explained the economic impact of tourism in Cuba and the influence of Raúl,

So under Castro, everybody in Cuba -- if you took the top of an economy and you crushed everybody down to a very, very low amount and you took everybody from the

bottom of the economy who was homeless and so forth and moved that up some, that's kind of what Cuba looks like today. And so tourism doesn't fit with that kind of economy where everybody gets free medical care. My friend's daughter has braces. I don't know what it costs to have braces. He paid nothing for that. They have very good medical care and it does not cost them anything. They don't have insurance down there because the government provides medical care. I've been to Cuban schools. Every kid has got a brand new uniform. I mean, they look sharp in their uniforms. They all have backpacks. Their schools are good. That's all provided. That didn't exist prior to the revolution and so forth.

But going back to the economic part of it is that a Cuban who makes tips in a resort or something like that, you know, suddenly is living at a much higher standard than somebody who is a doctor or a university professor. My first taxi driver on my first trip to Cuba from Jose Marti airport to the Hotel Nacional was a \$17 taxi ride. I gave him a \$5 tip. And I was paying in U.S. dollars so he said that would be \$17. And I gave him \$17 and I handed him a 5. And he looked back at me and he had tears in his eyes. He said, two weeks ago I was a math professor supporting my wife and my two sons. And I decided I couldn't do that anymore so I started driving a taxi. He said, what you just gave me is what I earned in a week.

So that's what tourism does to Cuba. People in Havana right now who are involved in restaurants and all that kind of stuff are really doing very, very well. People way out in the country where tour buses never go and that sort of stuff, they are still in the same Cuba that I first visited in 2000 because there has been no change for them at all. We talked something about how Cuba crept into tourism. The first thing they did was they did joint ventures with hotel corporations from around the world. The Malaya Corporation in Spain, the Golden Tulip Corporation in Amsterdam operates the (Park Exit 12) Hotel that's in Havana as an example. These hotel corporations, none of them U.S. because our country won't allow U.S. corporations to do business in Cuba because that would be a violation of the trading with the enemy pact. So all these other hotel corporations are moving in. So some of the finest hotels you can find in the Caribbean right now are in Cuba because here's the deal on those joint ventures: the Cuban government owns 51 percent and the hotel corporation owns 49 percent. The hotel corporation puts up all the money to build a brand new hotel or to renovate old hotels or whatever. And they're partners. And the entity within the Cuban government in which all these joint venture partnerships take place -- at one time I was tracking them, there were like 300. There's probably more than that now. -- is the Cuban military. Who was the head of the Cuban military? Raúl Castro.

And so Raúl Castro was directly over the entity that was doing these joint venture things. And so he has a whole different view of the economy and capitalism than Fidel. Fidel hated tourism. Raúl sees the value of foreign investment in Cuba. So they're able to benefit from that. And so all of the things that are happening right now I think are a resulting fact that Fidel is no longer there and Raúl is there. Raúl is more open to investments and so forth. Cubans when they started getting into tourism, they turned to Cubans and they said, you know, would you like to have the ability to be able to have --

because they needed hotel specs -- would you like to have people stay in your homes? Well you can do that, but you have to pay a flat fee per month and you've got to pay so much per people. (Subject F)

Tourism injects capital into local economies quickly but here he also identified the uneven geographic distribution of that wealth based on access to tourists. Subject F's narrative about the taxi driver also emphasizes the disruption that foreign currency has in the Cuban economy, which has remained reliant on foreign subsidies for survival.

Recent economic reforms in the tourism industry have benefitted some Cubans; one of the most significant reforms being the legalization of *casa particulares*, Cuban bed and breakfasts. Casa particulares provide a new means of raising standards of living rapidly,

B&B's make a lot of money by Cuban standards if you think about it. They're very cheap by our standards because you can get a very nice room and lovely place for 35 CUC a night, 5 more CUC for breakfast if you want. So it's not very much, but if you multiply it -- and you think, well, okay, these people have two or three rooms and their full all the time, that is a fortune. Because Cubans do amazing things with very little -- with very few CUC. Well, because they play the game. And there's things that you buy in moneda nacional that are very cheap. And then oil, cooking oil, doesn't exist doesn't exist in moneda nacional. It has to be bought in CUC. So there's things that you can only buy in CUC, but there are things that you can buy in moneda nacional. (Subject D)

This respondent also distinguishes between the purchasing power each Cuban currency. Some goods cannot be purchased in CUP, so this is another way certain people within the Cuban economy are marginalized economically. Other ventures where Cubans can earn CUC include passenger transportation (taxis, colectivos), art sales, restaurants, and repair shops. Figure 13 shows typical signage advertising a private business in Cienfuegos, Cuba.



**Figure 13 Small business sales advertisement in Cienfuegos, Cuba; English translation, “We sell – Carpentry equipment – Cages – Birds of all kinds” (Griffith, 2016)**

In recent years, the change in repatriation policy has also led to greater access to goods,

But there's all sorts of different weird kind of arrangements going on. So it's not only the money, it's also the goods because they ship stuff. The latest -- Cubans are amazing -- the latest wrinkle in these complicated relationships is the phenomenon repatriation. Years ago when you left Cuba, you lost your rights as a Cuban citizen. They never stopped considering you Cuban and you have to go on a Cuban passport, but it was a second class Cuba passport. It's a Cuba passport that doesn't give you any of the rights of citizens to free healthcare, to a place to live, free education, that kind of stuff. Now they will let you repatriate. It cost a few hundred dollars, takes four or five months. But then you have all the rights. You have to have a place to live. You can live with the family or someone. But you have all the rights of a Cuban citizen and you can bring the contents of the household. (Subject D)

Cuban entrepreneurs are themselves individual policy entrepreneurs within the MSA framework.

Their resistance to economic despair caused by both the US embargo and the Cuban

government's overbearing economic policies, has exposed the failure of the political status quo.

The ability to survive through participation in both the formal and informal economies of Cuba for the last 55 years is a statement to policymakers that the only rational path forward is through reductions of the embargo.

*Cuban Americans.* On the American side, some of the strongest individual policy entrepreneurs are from the Cuban exile community following the 1959 revolution. When they left the island, the new government seized their property and revoked their citizenship rights. As one Cuban participant currently living in Havana explained, after Fidel Castro came into power, the government re-distributed the homes to the Cuban people. But they did not own the homes and they had to pay rent until the “lease” was paid off. Today, after 50 plus years of living in the same home, many Cubans have paid off their housing contracts. Notwithstanding, the lack of housing options forces multiple family generations to live in the same home, which hinders their ability to relocate in search of economic opportunities.

The Cuban exile community is uniformly against any normal relations with Cuba until the government undergoes a complete political transformation. As policy entrepreneurs their actions are mainly political. Due to their unified voice in opposition of the Castro regime, they have dominated the public debate on US-Cuba relations. One Cuban American participant characterized their political position as,

...you know, most of the Cuban born folks that settled in New Orleans after the revolution, they came right after the revolution. They were the elite of Cuba. They were folks that had lost a lot. Or sometimes even when they hadn't lost a lot, they had lost a lot symbolically because the richer people already had their money abroad. But they could have lost land, property, houses, you know, what have you. Those folks remain for the most part inflexible. It's what we call the historical exiles who came right after the revolution who were from privileged families. They remain inflexible insofar as they believe that doing anything but -- doing anything with Cuba while the Castros are alive is unethical, A; and B, Cuba needs to adopt a full democracy before they are willing to even consider any opening. Those are the historical exiles. There are very few left now.  
(Subject D)



This account describes how this group of Cubans suffered political (regime change), economic (property seized), and symbolic (way of life in Cuba) losses in the 1959 revolution. She also points to the role socio-economic class played in generating feelings of lost societal status. This shared experience helped to organize and unite the community around a common policy position. An American participant from the freight transportation sector discussed the extent of the historical exile community's influence,

...you ran a topic up the flagpole and gauged how they reacted to it, that they were so vehemently opposed it kind of went away. And I think as time goes on the people that were most affected by Castro and everything that happened, well they've gotten older and a lot of them have passed away. And the younger generation doesn't have quite the strong negative feelings that maybe their parents did. They just kind of accepted that, 'this is how I grew up' and they've never been to Cuba so they don't know. And so I think what you're seeing is that political antagonism is diminished somewhat. (Subject W)

Many participants shared a similar belief that the national mood on US-Cuba relations had slowly changed in recent years. Another American respondent stated his thoughts about the growing divide between public opinion and historical exile's position,

Here's what I discovered just a few years ago, that the average person in the US did not care whether or not we had relations with Cuba. Opening up Cuba was not important to the average person, what was important to keep the door closed were two huge voter blocks in South Florida and in New Jersey. Those are the anti-Castro people that wanted the US to not normalize relationships with Cuba until Cuba did something to repay them for everything they lost... And so this big gigantic anti-Cuba, very powerful voter constituency in the US and these were smart people too. In Louisiana we had something like 700 families involved in the sugar cane business, in Florida its big corporations that are owned by Cuban-Americans and they were also big political contributors and so forth. So you have, in the US, a very strong anti-trade with Cuba anti-relationship movement with Cuba nobody was for ending it. (Subject F)

Not only were these individual policy entrepreneurs influential in voting but also they were able to affect the political process through campaign contributions. Theirs has been the dominant voice within the politics stream in America to ensure the continuation of embargo.

*Pro-outreach Cuban Americans.* Not all Cuban Americans share the historical exile's position. These Cuban American policy entrepreneurs have seemingly received less publicity than their counterparts but their goal is to educate the American public about Cuba and to increase outreach to the Cuban people. They work at the local level of policy advocacy, "just pushing, pushing, pushing" to change the dominant public narrative against normal US-Cuba relations (Subject D). To that end, these policy entrepreneurs organize regular trips to Cuba for Americans, which are political in their cultural exchange and symbolic in their defiance of the embargo's travel restrictions. Travel between Cuba and US has become commonplace for a relatively new type policy entrepreneur, recent Cuban immigrants.

*Recent Cuban Immigrants.* The visibility of more established Cuban Americans in the US has overshadowed the existence and influence of recent Cuban immigrants. They are younger and they are not necessarily fleeing political oppression. Like immigrants from other countries, these policy entrepreneurs are coming to the US in search of greater economic opportunity, but they travel back forth from the US to Cuba frequently. In the following exchange, one Cuban American participant discussed the impact of recent immigrants and how they have supported the normalization process,

D: ...it's interesting because of the younger generations, I mean, we're not -- we just don't have that many Cubans. It's not like Miami. In Miami -- well, just put a break there before going to Miami. What I've seen recently is that there has been a slight increase in the number of Cubans. And it's hard to decipher how and why they are getting here. I think it has to do sometimes with the culture of not wanting to be in Miami or feeling more comfortable in New Orleans in terms of architecture and things like that. But they're recent immigrants who land here, young people in their 20's or 30's. And I didn't even know they were here until the other day when I was at a party or something -- because we have two young Cuban students -- and said, oh, she's Cuban; oh, he's Cuban. They just arrived 10 years ago. They just arrived a couple of months ago. And I thought, really?

KG: Right.

D: Okay. So that may change a lot in terms of -- that might impact how the community is viewed. For many years this was viewed as a very conservative community. And you know, my friends that -- the guys that I'm working on this society with are an exception to the rule rather than the norm. The norm was to be intransigent. So these recent immigrants have changed the face of Miami; have changed the political face of Miami because they are not political exiles. They can go back and forth now and they want to go back and forth. They want to come here like any other -- like from any other country in Latin America.

KG: Yeah, just like anybody.

D: They want to come here and make money and send it home and go back home. Go back to port, live here, go see mama. And they're doing that. I mean...it amazes me how many moms and dads I see on this plane bringing their children home for the summer because it is cheaper for them to stay with grandma than to put them in childcare.

KG: Yeah. I guess it kind of makes sense.

D: Yeah. So it's become a normal route.

KG: Yeah.

D: A normal immigrant experience, which is now exacerbated of course by the belief in Cuba that the dry-foot, wet-foot policy is going to end soon. I have to agree with them. It's a policy that doesn't make any sense. I don't know if Obama has the political capital left to do it. But it's the only immigrant group that is privileged like that. Within three months of being here, you can get a work permit and within a year you'll have your green card.

KG: Yeah.

D: They're going to open up trade with Cuba, try to get rid of embargo. That's got to go because that just sets up an untenable situation. It's politically very unstable to have all these people going through Central America, going through Mexico.

The idea that these Cubans preferred to travel back and forth between the US and Cuba was so uncommon that it was disrupting the past narrative on US-Cuba relations. Subject D's statement that the regularity of their travel is normalizing the route suggests this symbolic gesture is contributing to the viability of political alternatives. If as she says US-Cuba travel becomes a, "normal route" then the embargo appears even less effective and even more irrational. These individual actions have resulted in increasingly relaxed travel restrictions since 2014.

*American businessperson.* The last type of individual policy entrepreneur is the American businessperson who sought to politically empower the Cuban people through increased trade relations. They were some of the first people to investigate the legal terms of the embargo policy as to what was permissible for travel and trade. In one case, a small business owner from Alabama remembered her active role in facilitating trade with Cuba after the passage of TSRA,

G: ...I realized that I understood at that point that there was trade that was legal, that U.S. companies could sell agricultural products, medical products, and anything that had to do with travel was legal to do business in Cuba, but it had to be for cash. Cubans had to pay in cash. And they could not sell anything back to us.

KG: Uh-huh.

G: So I spent a lot of time learning about all of this. I mean, it kind of just rolls off my tongue now like I always knew this, but it was hard to learn because there was very little information. And mostly the only information was getting on the U.S. government website and learning what you couldn't do with Cuba. So in reading through all of the, you know, the minutia of government documents. I'm not an attorney and, you know, it was difficult -- but I did learn. I also had a very good relationship with my congressman... Also my senators () were very helpful in helping me get licensing to be able to go to Cuba. But of course at the beginning, the only thing we could do was to go and [for] arts or learning or education. But at the same time, I was learning how to trade with Cuba and I did meet with different people in Washington, again, to make sure that I -- I didn't want to step on anybody's toes and I certainly didn't want to get myself arrested for anything.

KG: Exactly.

G: So I was learning all of this. And actually, about two years later while I'm still under the learning curve, my husband [?] one day he said, you know, I think it's great that you've gotten interested in all of this. You've learned all of this, but you know, you don't need to spend any more money on it. You need to make money on this. So you know, what do you think you can do? We're in the restaurant business to start with so I thought, you know, [he] brought up, something I know about, I have really good relationships with large hospitality industry's food resources so that's where I began...

KG: Oh, yeah.

G: And so I sat down with the president of () in Alabama and asked him, you know, do you think () would like to sell to Cuba? Well he did a little back checking. And anyway, fast forward, I ended up taking the () representatives for several, I guess, on two or three years to Cuba. And we were able to open trade...Right at the beginning after I first went

to Cuba, I realized that there was no company that was doing business in Cuba from Alabama.

KG: Really?

G: And I really wanted to open trade up for my state. That was the first thing I did. And I was able to put together a group of -- my congressman... And we put together a guest list of who did we want to take...

KG: Wow.

G: ...Anyway, basically it was about 10 dignitaries. And we took two private jets and we got flyover permission. I did all of this in Washington to get all of these things that we could do. And we took two small private jets and flew directly from Mobile to Havana, the first direct flight in, at that time, like 43 years.

KG: Wow.

G: And again, a lot of this was because Cuba -- Havana and Mobile as the same thing for Havana and New Orleans had a long history of trade. And there's a lot of families in Mobile that still have roots in Cuba. Their grandparents have homes there or great grandparents. Some of them honeymooned there back, you know, before 1960. So that was a huge opportunity for me to open up trade. And while we were there, the head at that time of the Alimports -- do you know what Alimport is?

KG: That was the tourism company down there?

G: Yeah. It's the company that purchases all the food for Cuba and then distributes it to their own state-owned companies that then supply restaurants and hotels and grocery stores. So the head of Alimport was a man named () at that time. And () was extremely helpful and very anxious to do business in Alabama. So we were able that first trip to -- I was able to set up meetings for our dignitaries to meet with Mr. (). And they promised a \$20 million dollar deal with Alabama businesses. That was huge.

KG: Wow.

G: We actually had a press conference in Havana. We called the papers in Alabama and that's what first opened trade or businesses in Alabama. Right after that, our newly elected agricultural commissioner also got involved and he really carried the ball on this for a long time and took a lot of trade missions there from business people from around the state... Then right after that is when I got more involved ...we actually several times did big food shows in Cuba where their state-run companies can purchase from (). So, you know, that went on for a couple of years... But in the meantime, I was still meeting with people in Washington and working on trade. My reason for doing that which I really haven't said, is I felt like the way to get rid of the embargo, which I have always felt -- not always of course, but in the last 10 or 15 years -- I lived in South Florida for a

long time...And I've met a lot of wonderful Cuban people that had come at the time of the revolution. They were the most charming, lovely people that I had ever known...

KG: Right.

G: These were people that fled the island, mostly came with nothing. And at the time I knew them most of them were in their 60's and 70's I would say. And I was so impressed to know what fabulous people came from Cuba. So my feelings after living in South Florida about the embargo, I was very ambivalent about it and I felt like trade might be the way to help the Cuban people take the situation in their own hands. And if they saw that there were opportunities, then they in their own way would overcome the communistic regime there. I mean, I was not a rabble-rouser in any means, but I just felt like the trade might be the right way to have that happen. So I went to Cuba probably, I don't know, at least 25 times over that four or five year period.

KG: Wow.

G: And at the end of that time, in a lot of ways I became very discouraged. I realized that a lot of the large companies -- you know, I was pretty idealistic when I started on this. I was thinking that American -- large American companies that would trade in Cuba, that they had the same idea that I did; that it was going to help the Cuban people get their life back, get their courage back. And toward the end of that...I realized that ... the huge, huge U.S. companies that were doing business in Cuba, they really didn't want - - or I felt like. I shouldn't say because I don't know what they wanted. But I felt like they looked very happy with the status quo. They didn't necessarily want the Cuban people to be under a free-trade regime. They were very happy that they had a corner on the market for soy bean oil or corn or pork or chicken. You know, these were the large -- ...very large companies.

KG: Uh-huh.

G: They didn't necessarily want things to change because, as I said, they had their little niche and they were making money on it. And it was cash money, you know. It was not on credit. So about that time, I really just felt like, you know, I had done what I started out to do and that was open trade for the state of Alabama. By the time I stopped going down and working on those, Cuba had become the ninth largest trading partner for the state of Alabama. We were selling not only chickens and soy beans, but timber telephone poles and all kinds of things and in the hundreds of millions of dollars. So that is kind of my story.

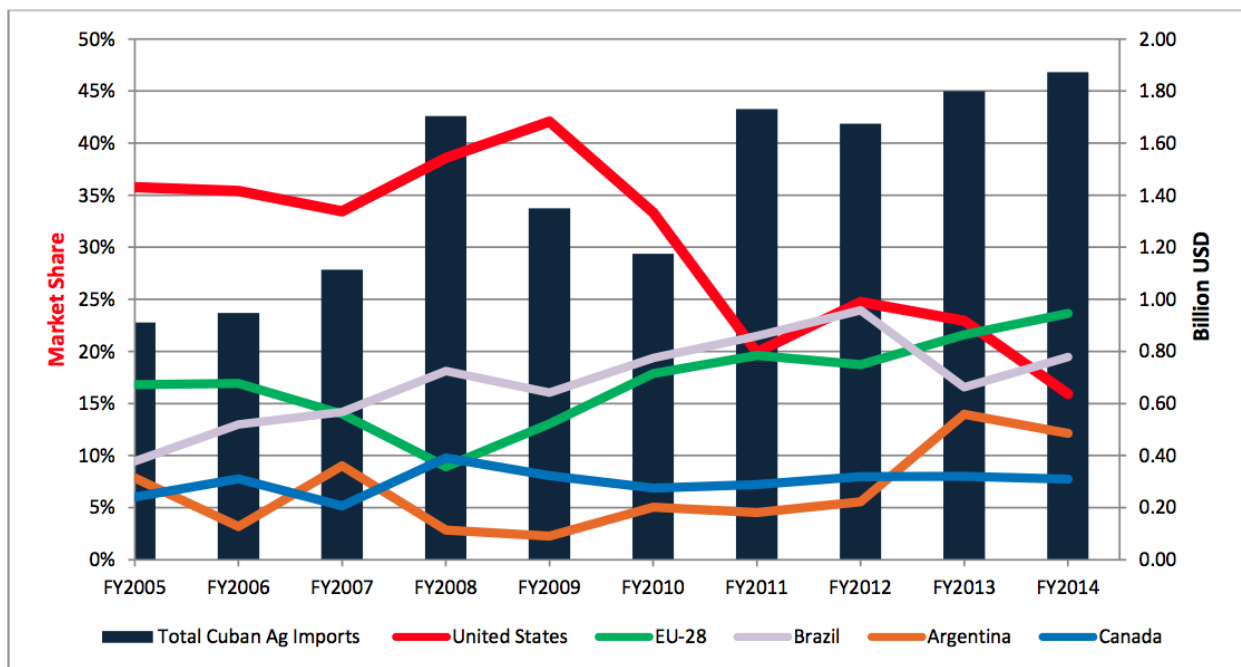
KG: Wow. No, that's so amazing because just trying to find -- you're exactly who I've been trying to find; people who have been active in kind of moving trade along. But that's a fascinating story.

G: Yeah, there was fabulous, wonderful, interesting moments. I mean, it wasn't all, you know, just idealism on my part. But I did make something happen.

From this narrative a clear distinction in intentions emerges between small American business owners and large American corporations. Politically, subject G began her trade missions with the intention of helping the Cuban people gain increased independence from government control, but in building trade those relationships she realized that her corporate partners were more interested opening a new consumer market. The political and economic freedoms of the Cuban people did not matter; in fact she felt that they preferred the *status quo*, which afforded them preferential market access. Both small American businesspeople and large corporations used their economic relationships to expand trade with Cuba but as policy entrepreneurs, the former acted in support of policy change based on experiences with individuals while the latter operated at a higher level of rationale, the state level.

## Policy Entrepreneurs at the State Level

The end of Bill Clinton’s second term as President of the US marked the beginning of a shift in US–Cuba relations under the auspices of humanitarian aide. Just five years removed from the restrictive Helms Burton Act and one year removed from TSRA that allowed US exports of agricultural, medicine, and medical products to Cuba, Hurricane Michelle ripped through the island nation bringing heavy rains, severe flooding and destroying approximately ten thousand homes (Cubahurricanes.org, n.d.). Alvarez (2004) argues that the severity of damage particularly to agricultural areas pushed the Cuban government to purchase food and agricultural products from US firms. This initial action was a precursor to additional imports of American agricultural goods as Cuba went from the US’ 226<sup>th</sup> most important agricultural export market to 35<sup>th</sup> in three years time.



**Figure 14** Chart of total Cuban agriculture imports from 2005 to 2014, where colored lines represent market share; red represents the US, green represents the European Union, violet represents Brazil, orange represents Argentina, and blue represents Canada (USDA, 2015, p. 3)



Throughout the rest of the decade the US maintained a significant share of the Cuban agriculture imports market, but recent years have seen this position drop from 42 percent in 2009 to 16 percent in 2014 (see Figure 14) (USDA, 2015). Despite the recent decline, agriculture was a pioneering industry in early trade with Cuba post-TSRA.

The impact of TSRA in expanding the realm of political and economic possibilities for state level actors was clear as states began to explore trade opportunities with Cuba. Trade delegations traveling to the island increased significantly, typically comprised of representatives from US state governments, business interests, and trade associations like the USA Rice Federation. One participant describes the intentions of delegation members at that time,

KG: Were there many delegations traveling to Cuba in 2000s?

W: ...oh yeah there was a lot of activity. You had states, especially Midwestern agricultural states were down there with huge delegations from the department of agriculture and people who...they basically promoted the idea of doing business with Cuba and they wanted to expand it. Because its all based on humanitarian aid right now and certainly agricultural products fall into that category but giving how goods had to be purchased it was so difficult to do business. Cuba had to pay cash in advance for any products that really limited their ability to sell goods down there. So they went down there with big delegation hoping to convince them, federal legislators, their US senators and Congressmen that it was time for a change.

He highlights the active role that agricultural interests from the US played in outreach to Cuba but also touches on the extent of market manipulation US sanctions imposed. The US embargo required Cuba to pay in cash for any imports from US firms. This made it more difficult for them acquire enough capital to make significant purchases, but it also made them a more attractive trading partner for US states compared to other countries purchasing with credit. Given these restrictions, states continued to reach out and once they recognized the opportunity they returned to the US and became the chief advocates for policy change at the federal level (i.e. end of the embargo). Gone was the Cold War rhetoric of the twentieth century, the new narrative was that

states were losing out economically to the rest of the world and the main impediment to regaining that competitive edge was the federal government.

*States' Rights, Symbolic Gestures and the Limits of Trade Advocacy*

The interplay of governing powers between the US federal government and state governments is collectively known as the concept of federalism. This tension of powers is fundamental to American politics and traces back to the founding of America and the ratification of the US Constitution. Those advocates of greater state powers organize under the notion of *states' rights*, and they focus on the Tenth Amendment of the Constitution and its delegation of powers, not expressly given to the federal government, to the states or to the people. Study participants involved at the state level of authority framed the debate over the US embargo in similar terms of federal overreach. Subject A, a senior level executive within the freight transportation industry of Louisiana, explains the supremacy of federal power in determining trade policy and the influence of politics on that process,

If you look at where the sanctions are, the sanctions are a result of the federal government. In order for there to be change in trade patterns with Cuba, it has to be fostered by the federal government. It has to be fostered by, preferably, both the president of the United States and the congress. Congress is starting to warm up to the idea, but the president has to be the leader on this. And states are totally secondary on this. The president of the United States is the agent of change on this, it seems to me anyway. And everything a president does is political.

This statement leaves little room for states' agency in the removal of trade sanctions recognizing the power that the President holds in advocating for change. He begins by acknowledging the role of the federal government in creating the current economic situation with Cuba and that it's their responsibility to fix it. And while it's true the embargo is comprised of both executive and legislative restrictions, states in conjunction with representatives from the Cuban government began to build economic and political relationships as early as 2001 that would form the basis of future policy advocacy networks. The following narrative explicitly describes the development

of this relationship and the deliberate actions of policy entrepreneurs in the US and Cuba to couple the problem and policies streams while simultaneously focusing attention on the politics stream,

There was a guy part of the Cuban government, came up as an architect for one of the really brilliant things they've done with regards to US trade, which I think was the forerunner of what's happening right now under the Obama administration with the strengthening of trade, to the extent that the President can do that. And also because of a bill that was passed in Congress just a few years ago.

But this one guy comes up with the idea of [I want to say they spent 80 million but I'm not really sure what the cost was, I'm going to be wrong on the number]. The Cuban government set aside some money and they sent representatives to the US and they invited, they opened dialogue with states, individual states not with the federal government. And so for example they invited Louisiana to come to Cuba and talk about trade. So Governor Blanco goes down with a bunch of rice farmers and they sell a bunch of rice to Cuba. And Georgia sells a bunch of chicken parts, and Arkansas sells rice, and I actually had a count at one time of 38 different states had sent trade missions to Cuba in support and Cuba had actually bought stuff from them.

Now the US rule, that's still in place right now, that says when Cuba buys anything from the US they have to pay in cash, that's a way to make it harder to trade, nothing's done with credit. And they've also had bad experiences in the past where Cuba has gone and nationalized companies and revolution and so forth. So Cuba had to pay cash for that rice. Now they're getting shiploads of rice from Vietnam in Cuba but they're buying on credit. And at that time that I started looking at this Cuba's debt was 17 billion dollars or something like that. So they owe 17 billion dollars to other countries around the world but they're paying cash to the US. And the reason they were doing that was to build a market, cause now you're talking any rice farmer in Louisiana, if you mention Cuba they will remind you that Cuba was their biggest trade partner years ago. The port of New Orleans would ship a whole bunch of rice to Cuba and they'd love to do business, they'd like to sell to Cuba again.

So that's what Cuba did, they created that big demand in the US, where all these different businesses in the US saying that 'I want to business with Cuba, I want to do business with Cuba'. And that's how it happened, a strategic economic initiative on the part of the Cuban government suddenly, more people in the US now want to have relations with Cuba then don't, and that didn't happen years ago. It happened as a direct result of some very very () Cubans, and it opened things up.

And those people went back to their states saying we need to change the laws in the US, we need to be able to sell on credit...we need to be able to sell stuff beyond food and medical supplies. (Subject F)

From his point of view, the Cuban government was the main driving force behind establishing economic ties with US states. Similar comments from Subject E supported the Cuban government's active role,

Well the Cubans were looking for any vehicle to -- they call it the blockade. They were looking for any way that they could get the blockade lifted. And they thought that building favor with the American public, the American business community, or whomever would lead to the lifting of the blockade as they call it. And so this many years later, here we are with a president who is seeking to cause to thaw and then he is actually seeking for or will be seeking for congress to lift that embargo.

Although the Cuban government publicly condemns the embargo, as evidenced by the multitude of public displays denouncing "the blockade", by reaching out to states first they were able to successfully turn American policy entrepreneur's cautious optimism into united promotion for change. This strategy came at the price of paying cash with American firms while running significant debts with other trading partners around the world. The gamble appeared to produce positive results as both countries have worked to normalize relations over the last two years. The strength of this US state-Cuban government alliance since 2001 partially explains the opening of the current policy window in 2014. Another participant casts some doubt as to which side took the initial step post-TSRA,

KG: who reached out first?

W: it's hard to say but to be honest I think it was really more of a push from the US side, I think the US side looked at it from two perspectives: 1. The embargo really has not accomplished what it was designed to accomplish, which was to bring down Castro, first and foremost is just didn't do that. And secondly I think a lot of people look at it from the perspective of here's a country of 11 million people that should be a viable business partner with the US that we're losing out on entirely, simply because of this embargo and this failed strategy of trying to oust Castro. (Subject W)

His view that the embargo has failed was shared among many participants. He believed that the US acted first in trying to repair the relationship but only out of obligation to uphold its ideological commitment to *free trade*.

Participants described the US' reputation worldwide as positive but they also expressed a sentiment that the US is losing out on a major economic opportunity. The embargo was unreasonable, considering existing US trade relationships with other countries that it has conflicting political ideologies with like China and Vietnam. As their economies continue to liberalize and increase trade with the US, that tension has diminished somewhat but America's continued rigid stance towards Cuba appears even less reasonable in the context of these other trade relationships. The public criticism from policy entrepreneurs lacks a definite problem because potential trade with Cuba represents a very small share of total US trade. Their line of thinking is based on the lack of rationale with the embargo. Zahariadis (2014) suggests that the search for rationale without a distinct problem signifies that a policy window has opened within the politics stream and that the resulting process is ideological (p. 37). In such cases the need to pursue policy solutions supersedes the existence of a clear problem to solve. But institutional organization at the state level limits policy entrepreneur's advocacy efforts.

The quasi-public nature of freight transportation in the US complicates the advocacy process for state level policy entrepreneurs. Unlike Cuba where the government owns the means of production, in the US different sections of the commodity supply chain fall under either private, municipal, state, or federal jurisdiction creating a complex network of bureaucracy to navigate when moving goods domestically and internationally. One seaport representative classified their entity as,

The attorney's tell me that the appropriate term is, "we are an independent political subdivision of the state of Louisiana. Which means we were created by the state but we

receive no money for our operating revenues, so we have to generate our own operating revenues. We have in the past received some money for capital equipment and capital projects but from an operating standpoint, our salaries our expenses, whether it be electricity, water or all those kind of things are generated by the fees we charge users of the port. (Subject W)

Other participants stressed the importance of the relationship between ports and rail operations in multi-modal freight transportation. American railroads operate under a different classification espoused by a participant from the railroad industry as,

...we're an unattached board of the city and a political subdivision of the state. So () report to a nine member commission, which there is the president pro-tem..., there's four different committees within that commission and then the mayor is the president of the commission. (Subject H)

So politically, this railroad is a state entity but they are a part of the city bureaucracy and must report to a board of commissioners of which the city's mayor is the president. As public entities that ensure the movement of private goods on typically public infrastructure, ports and railroads are limited in their ability to advocate for policy change nationally. Respondents expressed a good working relationship with their federal counterparts in daily operations including US Coast Guard, Customs and Border Protection, USDA, Food and Drug Administration (FDA), Federal Communications Commission (FCC), Federal Railroad Administration (FRA), Surface Transportation Board, Occupational Health and Safety Administration (OSHA). Any official lobbying efforts could only occur through association with special interest groups active in Washington DC. In an industry that is dedicated to trade promotion, the embargo has revealed the extent of power public agents have at the state level,

[We're for free trade] but we certainly recognize that there are instances where politics has to and sometimes will dominate, so we'll promote trade with Cuba to the extent that we can right now. So what's legal we certainly try to take advantage of but as far as changing policy we don't get that actively involved in measures to affect policy because as a quasi-state government agency its really not our role to do that and I think our board in the past has been very cautious about making sure that we don't try to push something that could have political backlashes for us. And to be honest, this is one that over the

years has really waned. I don't think that too many people see a huge backlash coming, but I don't think they see a clearly defined role for us in the process. It's really something that needs to be pushed at the federal level than at the state level. And to the extent that we've show support by going to Cuba and coming back and saying, 'hey we think there are opportunities for Louisiana businesses' that's really about all we can do. (Subject W)

Policy entrepreneur's solution to the policy distortion of the embargo was to push the limits of federal laws to their maximum using symbolic gestures in lieu of outright lobbying. Trade delegations from the US, which included state politicians, alleviated political antagonisms between the two nations. Economically there is no better way to communicate confidence in trading with Cuba, then by actually establishing export agreements. And that is exactly what these state policy entrepreneurs did. Though the federal government set the political and legal boundaries of engagement with Cuba, the agency of state level actors symbolized their openness to normal relations. This symbolism included their trade visits and export deals as well as their ability to communicate the magnitude of economic irrationality.

#### *States' Role in Agriculture and Tourism*

Many study participants identified agriculture and tourism as the two industries that stand to gain the most from trade normalization with Cuba and it is no coincidence that these are two areas where states and their respective policy entrepreneurs have considerable influence.

Globally, America's trade partners see the US as a major food supplier as one respondent described it, "we still have a disproportionate agrarian state in the world economy (Subject A).

Another respondent in the US freight forwarding industry discussed the agricultural potential of the US,

I mean the important thing too is that we could be one of the breadbaskets of the world. We've got the Great Plains, grain, whatever. I mean, you've got five major areas of the world. You've got the U.S., Canada, Australia, Argentina, the Ukraine. Those are the broad, wide areas that can grow the kinds of grain crops that we'll need to feed a growing world population. And food security might be very important. I'm not saying that's going to be used as a tool to get certain trade concessions, but certainly food security in

the coming years is going to be a big player I think. And at least we have the advantage of the ability to use these resources to our benefit.

And as populations increase, as middle-class is increased -- you can see it in India right now too -- if there is middle-class increasing, they want more protein in their diet. And you get protein from chickens or pork....So they want more protein in their diets. And we're protein producers too. So there's something to say to that. (Subject C)

Beyond Cuba, he believed America had the capacity to feed other developing nations around the world. Agriculture is a defining characteristic of America's economic reputation. Interview participants consistently mentioned food and agriculture products as key to the US-Cuba relationship, specifically rice, soybeans, and frozen meats. Figure 15 shows two snapshots of the composition of US agricultural exports to Cuba in 2005 and 2014. In 2005 the US exported a wider variety of agricultural goods, with poultry meat & products, wheat, corn, and rice as the top commodities. More recently in 2014, poultry meat & products and soybean products dominated US agricultural exports to Cuba, comprising almost 75 percent of the total. These 2014 export figures support participant's conflicting sentiments of economic loss and market opportunity for the agriculture industry. Similar mixed feelings were shared about the fate of tourism in US-Cuba relations.

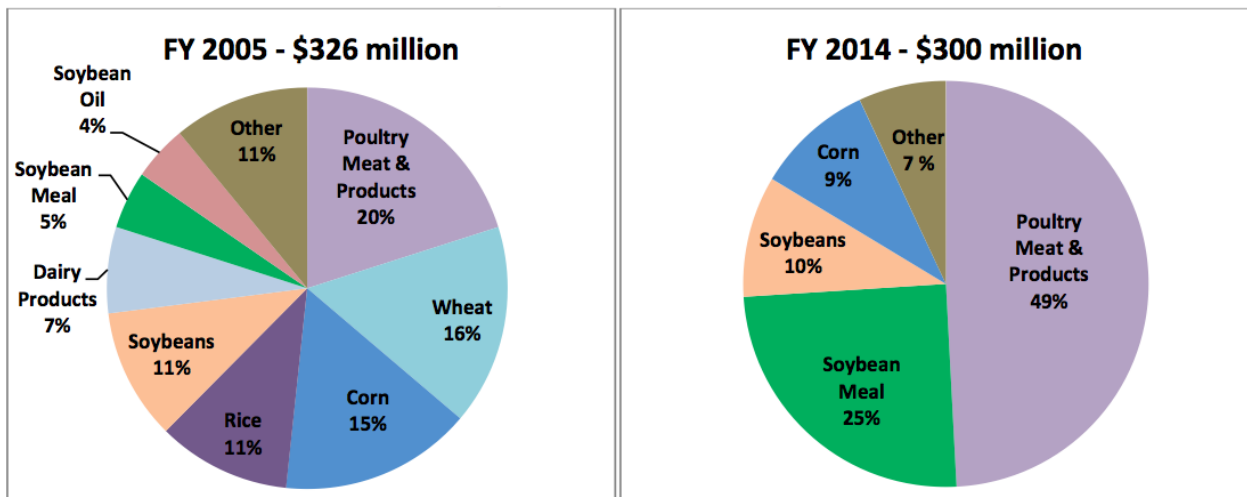


Figure 15 Composition of US agricultural exports to Cuba by commodity type in 2005 and 2014 (USDA, 2015).



The US embargo of Cuba and its limiting travel bans has negatively impacted the American tourism industry. With the rise of service-oriented economies over the last fifty years, states now compete domestically and abroad for increasingly fickle tourist dollars. The promotion of tourism is one issue where cities, states, and the federal government have common interests. One participant with many years of experience working in the New Orleans freight transportation sector described the interplay between city, state, and federal roles in tourism and trade promotion,

The industry leader in terms of assistance to nations abroad would certainly be the federal government. Our federal government does far more than any state government does. What state governments tend to do, if you look at the model of what we have in the state of Louisiana, the lieutenant governor of our state is the chief agent of tourism. He tries or she tries to bring tourists to Louisiana. And you will find more push from them on the cultural side to get people to come to Louisiana. Conversely, their involved in getting people to visit other countries as well. There's reciprocal agreements in terms of cultural stuff whether it's the music, food, tourism, et cetera. And tourism is largely handled or even completely handled by states whereas the money -- the science of giving money and giving subsidy to foreign governments comes from the federal government. In the meantime, the city, despite whatever the mayor says, the city does virtually nothing. And the reason is the city doesn't have any money. (Subject A)

He then shifts the conversation from governments to ports and their role,

...a lot of people don't realize the Port of () is not a regional port. It's a state port. It's a state agency. And it does not focus on tourism except that the Port of () is sort of caught in the trap that it does a million cruise ship passengers a year. So it does want cruise ships. It is actively promoting tourism. And what they want is just the opposite of what the state wants. Excuse me, I'm saying that wrong. It's the same thing. They want people to come in on ships and come visit. They want people to park their car in the parking lot because they make a lot of money on the cruise ship parking lot. So there is a push to have reciprocal trade agreements in place. (Subject A)

In the end of this statement, Subject A reiterates the federal influence in tourism by building relationships through trade agreements. So not only do trade agreements facilitate international goods movement, they are instrumental in promoting tourism. In the case of US-Cuba relations

over the last fifteen years, it was the federal government that set the trade boundaries and it was policy entrepreneurs at state level that became the agents for change within them.

### *States' Agency within Federal Structures*

State policy entrepreneurs have increased amounts of power and access to federal bureaucrats in comparison to individuals. Zahariadis (2014) asserted that the effectiveness of policy entrepreneurs is largely dependent on the extent of their resources and access (p. 40). On the US side, policy entrepreneurs used their power and access to test the limits of political boundaries set by the federal government in US-Cuba relations. On the surface these actions were gestures of good will meant to build political support but for these policy entrepreneurs they saw it as accomplishing their job duties to grow trade. The fluid nature of supply chains towards the path of least expense injects an element of uncertainty into competition among states for additional freight traffic. For example one representative from the freight rail industry described their actions to remain competitive,

We don't necessarily set trade policy right, but what we do do is we set our tariff rates, that allows competition and allows the port to be able to compete with the other ports... So by setting tariffs that allow us to be able to move commodities cheaper allows for that competition, allows to get that commodity here that we didn't have before. So again, we're not necessarily get involved in real policy development for trade because that's not our function but we can influence trade by tariffs setting, price setting. (Subject H)

State policy entrepreneurs, accustomed to operating under conditions of constant domestic and international competition were the ideal surrogates for Cuban efforts to end the embargo. Cuba represented a new opportunity for trade and it was the federal government that was denying that right, "the Cubans continued to want to buy from the U.S. to get favorable relations established, but process was made difficult by the American government, by our own government." (Subject E). So their solution was to work within the current laws to show that renewed trade relations could benefit state economies and foster economic reform in Cuba.

## **Policy Entrepreneurs at the National Level**

National level policy entrepreneurs are those individuals who hold some national or international position of influence over a large number of people. Their authority is expressed through the exercise of governing powers, control of the public debate on specific policy issues, and use of symbolic gestures. This elevated status within the public media allows their message to reach a wider audience including other policymakers. In many ways national policy entrepreneurs are themselves political symbols of a nation's identity (Tsygankov, 2000).

Throughout the embargo, the US has elected 11 different presidents while Cuba has had just two, Fidel and now Raúl Castro. Since adoption of the Bretton Woods Agreement, national policy entrepreneurs have worked to make free market principles a core element of the American identity. The results of which have allowed policymakers to set the terms of international trade via trade agreements as described by one participant,

I think for some reason, a lot of other countries think that, you know, the U.S. is the big bully to some extent. It's going to be my way or the highway. But essentially, free of trade has benefitted the U.S. looking at just some of these current trade agreements they have right now. The DR-CAFTA, we used to be running at a 1.8 billion dollar deficit annually. Now that's completely turned around to not a deficit.

These kinds of trade agreements would eliminate the duplicity in government inspection, reduce the overall cost of the items, and should make the process move smoother.  
(Subject C)

The boundaries between MSA streams are fluid for national policy entrepreneurs as they set agendas, focus attention through the use of symbols, and advocate for policy solutions. During times of political ambiguity, policy solutions have a greater chance for adoption (Zahariadis, 2014, p. 37). Policy entrepreneurs at the national level act at the most advantageous moment inside the politics stream to maximize media exposure of an issue and to generate public support for further action. Roberts and King (1991) maintain that their goal is to influence events rather

than control them. In moving towards a reduction in economic sanctions against Cuba, national policy entrepreneurs like President Barack Obama and President Raúl Castro coupled all three MSA streams to create a policy window in 2014 that remains open to this day.

#### *Creating and Extending Policy Windows*

The passage of the TSRA in 2000 marked the discreet opening of a policy window in US-Cuba relations. It was discreet in the minimal national media coverage and the general lack of understanding from the American public as to what was then permissible in travel and trade. One participant with experience in public and private economic development described the political intentions of TSRA and its connection to the Obama administration,

Obama recognized that Cuba being 90 miles from our borders, being the largest island in the Antilles with a significant population approaching 12 million, that that market would be a substantial one close enough to the United States to capitalize and they needed everything. But the issue was always do they have funds to be able to buy things. Certainly since the downturn of the Soviet Union and its role in Cuba, the United States politically saw that as an opportunity to make inroads in light of the existing embargo which is why the TSRA Act was authorized. So the answer, yes, it was a move to access a market that the U.S. was unable to access before. And all of those things -- there's so many things from humanitarian to academic, even religious interests were not thwarted. They were actually allowed by the U.S. and the Cubans to occur. And that was all a matter of gaining a favorable status relationship so that in the end Cuba would normalize relations with the United States. And I think the United States because of the TSRA Act was looking forward to that as a step towards lifting the embargo, normalizing relations, offsetting any influence by another socialist or communist government. (Subject E)

He identified the Cuban government as a willing participant in increasing American visits to Cuba for non-tourist purposes. But he also highlighted the timing of the legislation as Cuba was recovering from severe recession of the early 1990s triggered by the loss of Soviet subsidies.

Following the Cuban *special period* of economic reform, 2000 represented an opportunity for the US to tip the balance of the ideological scales towards free market capitalism. This action was a precursor to the renewed effort to normalize relations 14 years later.

On December 17<sup>th</sup>, 2014 Presidents Barack Obama and Raúl Castro called coinciding press conferences to announce that both countries were committing to renew diplomatic relations. Castro's speech did not promise significant changes in Cuba but it did communicate a willingness to discuss issues of national sovereignty, democracy, human rights, and foreign policy. He also acknowledged the contribution of Pope Francis and the Canadian government, adding further weight to the importance of the announcement. Study participants in the US and Cuba confirmed the significance of these speeches in, as Subject Q called it, "expanding the political space" to discuss US-Cuba relations in a positive manner. The symbolism of dual press conferences signified an atmosphere of *we're in this together* but that any reforms would be on the Cuban government's terms. Subject Q, a Cuban academic, articulated the Cuban position on trade relations with the US in a sociohistorical context. The revolution of 1959 happened for a reason, as American ownership of Cuban assets reached levels that threatened their national sovereignty. Any normalization efforts would need to first and foremost, preserve Cuba's independence.

When asked to recall the earliest memory of this current normalization process, all respondents identified these coordinated announcements in 2014 as the beginning, supporting its status as the opening of a policy window. Since then both nations have lifted many barriers to normal relations like the removal of Cuba from the list of national sponsors of terrorism, the re-opening of embassies, a relaxing of travel restrictions, Cuban repatriation reform, and some financial reforms. President Obama's visit to Cuba in March 2016 will serve as another symbolic gesture of good faith to the promises of 2014 and it will extend the viability of the policy window in pursuit of the end of the embargo.

### *Expanding Political Space*

Once a policy window is open, national policy entrepreneurs work to define the parameters of the public debate. For US presidents this power is often referred to as the *bully pulpit* and they typically exercise it in the problems and politics stream to draw attention to a problem or to build political support for a specific position. In the case of President Obama's visit to Cuba, his national security advisor Ben Rhodes said it best, "We believe that by opening up space we can help empower the Cuban people to live better lives." (Roberts, 2016) He explicitly indicates their intentions to expand political space for average Cubans to advocate for greater control of their respective fates, i.e. democracy. So politically and symbolically, a physical presence was believed to be the best way to start the reform process and that view is still used to support normalization efforts. The normalization process will also require economic action as years of embargo have distorted the Cuban economy to the detriment of the Cuban people while strengthening the Cuban government's role as an economic intermediary.

### *Financial Manipulation and Market Distortion*

In addition to opening policy windows, national policy entrepreneurs exert their governing influence to manipulate economies in support of their political ideals. As one Cuban-American businessman explained it, the Cuban government has used the US embargo as a scapegoat to deflect blame for their failed economic policies (Subject R). An end of the embargo would make it difficult for the Cuban government to paint America as the *bad guy* politically and economically. In the meantime the embargo endures, as does the Cuban government's domineering role in the economy. Their ownership of the means of production, land, and infrastructure means most Cubans are employees of the state. One American businessman described the financial scenario in the early 2000s,

Anytime you dealt with Cuba, you were dealing with the government officials no matter what the company is called. They may have had a company they claimed was a company, but it was always a government agency.

So not only were you precluded by the embargo from visiting, you were precluded from shipping there, you were precluded from actually spending money in Cuba -- spending U.S. currency in Cuba. So you had to make a special arrangement, again, through the Department of Treasury, Office of Foreign Asset Control to be able to pre-pay -- when we visited, we had to pre-pay everything from transportation to hotel.

...The actual sale of product was further convoluted because you had to use a third-party bank. There was no banking relationship because, again, the embargo precluded that. So for instance, you had to go through a bank in France or a bank in Mexico or something like that when you sold product so that they could pay you which added the cost to the Cubans. (Subject E)

The embargo severely distorted financial operations between the US and Cuba. This was one area where the Cuban government felt the impact of sanctions; the added costs of trade with US firms. Not to be outdone, the Cuban government's intermediary role in the economy distorted foreign direct investment agreements in Cuba,

...all of those hotels were invested by people from Canada, Spain, Venezuela, Mexico, Ireland, the UK, et cetera. And the relationship was -- and I interviewed one of the Irish managers about how did it work. And he said, well you're given a concession by the government. And in that concession you have the land which you don't own but you have the lease of the land for long term so that you get your return investment. And you are then allowed to build for a purpose and that purpose would be to build a hotel/resort type development. And you are given a number of people. He said traditionally they ask you how many people do you need for construction. You give them a number and they'll give you -- if you say, I need 100; they'll say, here's 200. And you have to provide the well-being for hospitals for healthcare, to schools, to cafeterias, you name it. But you only pay them like \$30 a month.

So when you finish with that construction, the construction materials and construction equipment is then turned over to the Cuban government because you had to bring it on the island because it didn't exist. And then you go into operations. And they will ask you how many people do you need to operate. And if you tell them I need 150 people to operate it, they give you 300. But again, you have to provide all the housing, all the healthcare, et cetera. So it's a social welfare mechanism that the Cubans impose on the people coming in. But the return on investment was five years which means that that's pretty significant. So it turned into more of a blue-collar attraction because just think, you know, people have lots of choices. They could go to high-end resorts nearby in

Mexico, Jamaica, the islands, whatever. Because the Cuban products are good products but they weren't high-end products and they were less expensive. (Subject E)

Cuban's salaries are paid in the lower value *moneda nacional* currency or CUP that is only accepted within Cuba. The government also circulates the convertible peso or CUC meant for international exchange originally valued at 1 to 1 with the US dollar. They impose a 10 percent surcharge on conversion of dollars as a penalty for America's continued embargo. The current conversion rate of CUP to CUC is approximately 25 to 1. All foreign tourist activity is supposed to be conducted in CUC. So the government accepts foreign currency and converts it to CUC but then pays salaries in CUP. By creating a separate currency market to compensate Cuban's labor, the government is able to extract the majority of the currency's value. Two economies exist in Cuba, one dealing in CUP and the other in CUC. With the recent economic reforms under Raúl Castro that have expanded entrepreneurial activities and tourism, Cubans have more opportunities to earn CUC. Foreign companies are willing to deal with Cuba's economic bureaucracy because they can still achieve the desired return on investment. One participant described the financial contortion within the tourism sector,

Okay. So the deal is that if you work in the tourism industry for a foreign company, for an operator, let's say a hotel that's called the Mariel (). Mariel () is a Spanish company that operates the hotel. Cuba owns it. They are just the operators. So if you work for one of these companies, you will get a salary in Cuban normal pesos. Moneda nacional is what they call it, MN. So if you see a price that is very high in MN, it's the other one.

But then they will get a monthly supplement in CUC. But the ones that are best off are the ones that are working for these foreign operators, in a hotel for example, but also in the service sector of the hotel because then you have tips.

Under the table, yeah. So that's how people get access to CUC most frequently is by working in the foreign sector in tourist sector, particularly positions where you come into personal contact with the tourist. And that's official, but you could also have all these unofficial activities that bring you in touch with the tourist. For example, operating your car as a taxi illegally which is easily done, selling stuff to tourists in the street or the markets. They try to legalize it through the markets when it's artisans or art, but there's people selling stuff everywhere...Prostitution of course.



Consequently, the tourism sector is the best way to raise your standard of living in Cuba, a fact that was confirmed by other participant's economic observations. Expansion of the Cuban tourism sector has slowly increased average Cuban's access to CUC and as more Americans visit the island, the concept of positive US-Cuba relations is normalized. That activity coincides with the Obama administration's executive action to reduce travel restrictions.

### *Leave the Politics to the Government*

In interviews with Cubans and Americans they expressed the feeling that US-Cuba relations were *unusual, not normal, unique* and that it was a result of national manipulation through government propaganda initiatives. One Cuban bookstore owner recalled being taught as a child to be wary of the Yankees that were sworn enemies of Cuba. But as an adult he openly questioned the notion that Americans were different from any other people in the world. On the wall of his shop he kept a picture of the 1930s Cuban national marching band posing on the lawn of the Whitehouse in Washington DC. He had many questions about the Whitehouse and was shocked to learn that they offered regular tours inside, seeing as average Cubans rarely ever see the inside of their national party buildings. National policy entrepreneurs were instrumental in spreading misinformation about opposing societies. The following anecdote of an American businessman's experience at the US Interest Section in Cuba epitomizes the irrationality of the US-Cuba ideological rivalry under different political administrations,

All of this stuff that I'm telling you about, the differences and things of the Clinton, things under Bush, and now we come to Obama. Obama has opened up the U.S. embassy in Havana. It's a seven-story [columned] glass building that used to be called the U.S. Interests Section. It was actually built during Jimmy Carter's era. So on my first trip to Cuba on my first night in Cuba I lost my passport.

And I went, okay, now what do I do? So I went to the manager of the hotel I was staying in, Ambos Mundos and I said, I lost my passport. I've looked everywhere. I don't know what I did with it. And I was staying in a room right next to the room where Ernest

Hemingway wrote For Whom the Bell Tolls. He was in room 512. You know, I was in 511 or something like that.

It's a very historic place, really cool place, and tied to U.S. history. And I said, you know -- so he says, what you need is you go to the police station, you file a report, and they'll stamp their report. Then you take it to your embassy. And I said, no, no. You don't understand. I'm not a Canadian. I'm a United States citizen. I said, do I go to the Swiss Embassy in that mansion out on 5th Avenue in Miramar. He said, no, no. You go to yours. And I said, you don't understand. I'm a United States citizen. He comes and says, you don't understand, you have an embassy here.

And so it turns out, I show up at this seven-story [columned] glass building. There's a Cuban guard on each of the four corners. It occupies an entire block. And I explain to them why I'm there and I show them my little piece of paper and they say, okay. Go in that first gate. And there were a ton of people in the line at the second gate. It went all the way to the end of the street, the end of the block, and then crossed over and half a block. They were all waiting to go into this building, but I walked right up. I'm the only person at my gate. And a thing on the voice thing comes up next to a camera and says, can I help you? And I said, yes. Sir, are you a U.S. citizen? I said yes. So they came out and opened up the door. They took me inside and they sat me in this room by myself. And I passed all these people who were at desks who were coming from that other line and they were all being interviewed or something.

So I went into this conference room by myself and I sit there for a few minutes. A guy came in, blue jeans, a plaid shirt, very obviously American. And he says, can I help you? And I said, I lost my passport. He said, what are you doing in Cuba? And I said, I'm here with a licensed group. I'll help you, he says, but it's going to cost you. And I said, okay. And he says, 45 bucks. So I gave him my 45 dollars. I came back -- oh, and he said I need two photo passport [charge] photos. And I said, I stopped off at this little photo shop in old Havana, so he was like, alright. I came back the next morning, I held up my hand, swore allegiance to the United States, and they handed me my passport. And for the next 10 years I had a U.S. passport that looks exactly like yours that inside it says, issued in Havana, Cuba.

...And this is when we didn't have an embassy there because remember, this is during the Bush years. So the U.S. Interest Section operated as the U.S. embassy just like the Cubans had a Cuban Interest Section in America. The only difference is that, you know, we didn't have an ambassador there and we had -- we've got eight people there.

So let me talk one other thing about Cuban/U.S. relations and how they relate to that particular building. I watched something because I go to Cuba two or three times a year. I watched something unfurl during my visits because I was very fascinated by that tall building sitting there near the Hotel Nacional on the Malecon which is the seawall in Havana. Because I knew that -- what I found out was our government was spending \$38,000 a month housing U.S. federal employees in a facility in Havana, Cuba, when we didn't have diplomatic relations with Cuba officially. The other thing is that on my very

first day to go there, I actually found the building empty. And I thought because there was an [Elían Gonzales] march that was going to be taking place right there, because the Cubans whenever they would do big rallies to -- anti-U.S. rallies -- they would always do them right in front of that building to kind of deliver the message to the people inside the building. And so I thought there was going to be a big Elían Gonzales -- that was the young little boy that came to the United States who floated in --

-- and they had a big, big battle over whether he was going to go back to Cuba or not.

So anyway, I figured because there was supposed to be a big rally that afternoon they would shut the place down. But turns out that was not the reason why. It was President's Day in the United States which was a U.S. holiday.

So they were all federal employees so it was shut down because they have the day off. So the next day I came and got my passport. To tell you the difference between the Clinton years when Clinton was trying to do some outreach with regard to cultural ties in a much smaller way, Obama has ramped up big, big time compared to what Clinton was doing. So along comes Bush and he puts a head in the U.S. Interests Sections in there who was very much in favor of what the president was doing in terms of trying to squeeze dollars on Cuba. They were hoping the Cuban people would rise up during the Bush years and overthrow the Castros and that was the ultimate goal.

And they began to meet with dissidents... And they started meeting in earnest with representatives inside the U.S. Interests Section who would go out and have these kind of clandestine meetings with Cubans who were involved in the dissident groups. And the U.S. would talk to them about ways to disrupt the Cuban government and about what they were doing to squeeze the Cuban economy and they would bring money in to help support the dissident groups through a whole variety of different ways. And most of the people who came in from the United States to meet with them would come in on a () license which was -- there are 12 categories of licenses available for people of the United States to be able to go to Cuba and the () license is one of those.

So all of a sudden, one day 75 people in Cuba were arrested and charged with -- essentially with treason. There were different charges and so forth for their activities within this dissident group and what they were doing with the United States government to help -- to try to overthrow their government. It turns out the heads of the dissident group were all part of the Cuban government and they had been in that dissident group from the very beginning. So the Cuban government was able to monitor the dissident groups because the leaders of the group were all part of the Cuban government. So you had people from the United States government sitting down with people from the Cuban government who the United States government thought were dissidents --

-- plotting on all kinds of ways to try to help overthrow their government. So along comes Christmas and the head of the U.S. Interests Section puts up a gigantic Christmas tree outside and they hung a gigantic star on it, a big white star, and they put 75 on the star. And it was just a very subtle reminder to the people of Havana, keep in mind those

75 people who were all arrested and put in jail. The Cuban government comes back and they put a gigantic billboard right on the seawall directly across the street from the U.S. Interest Section with photographs with Abu Ghraib prison on the billboard with some stuff in Spanish about, you know, how horrible the United States is. So you get an image of two little boys in a pissing contest on a playground. This is what the two governments were doing.

So up comes the Christmas tree with a star on it and up comes the billboard from the Cubans. Okay, got you. Got you back. Then the United States installs a one-story high digital scrolling billboard, the kind with lights with the letters that go by that you can leave messages and so forth, a message board, but it was one-story high. It was six stories high in the air. And they started sending messages to the Cuban people about how horrible their government was right on the front of this building. So you can picture a seven-story building, at the sixth-story level, you know, one-story high digital letters sending messages like sitting on the computer, type it, sending all kinds of messages and so forth. So United States, got you. Right? I mean, it's our turn to go, got you. The Cuban government came back and they put -- I'm going to guess there 40 -- there may be 60 or 70 flag poles, big aluminum gigantic flag poles. You cannot put your arms around the base of them from when they start and they go up -- at exactly the same level as that electronic billboard. They're flying black flags there with big, gigantic stars so that nobody -- they were close enough to the building, nobody could read the billboards. So I'm not sure what would have happened next because Bush was out of office. But again, it was back and forth, back and forth; Cuba versus the United States and so forth. And all taking place right around this building.

So Obama comes in, the billboard disappears, the rolling signs started sending little clips from CNN about world news and stuff like that. It stopped sending messages about the Cuban government. The flagpoles are still there. Every once in a while they'll fly some Cuban flags, but not often at all are they used. And so relations are improving. Now the central part of all this stuff that I'm talking about in the weeds is that what Clinton did was pro-better relations. What Bush did was no relations. What Obama is doing is he has elevated the let's-have-normal-relations to a much higher level...

And so Obama has really opened things up, but he can only do that to a point. And he can't go beyond his ability as president because we still have a number of laws in place. One of them says that anytime somebody leaves Cuba and their foot steps on U.S. soil, they can be granted citizenship, the only country in the world where that happens. If a Mexican comes in on U.S. soil and they're caught, they're sent back to Mexico theoretically. It happens sometimes, it doesn't happen other times. But theoretically, people from other countries are not allowed to come into the United States. With a Cuban, if somebody gets on a raft or a boat in Cuba and they leave in the middle of the night and they manage to get to U.S. soil and they get off and their feet touch the U.S., then they can be granted U.S. citizenship automatically. And we have a law in there in fact that's called wet-foot, dry-foot.

So the United States Coast Guard spends millions and millions and probably hundreds of millions of dollars every year out there patrolling between the United States and Cuba, catching Cubans and taking them back to Cuba. There's -- I don't know if bad things happened to them in the past, but they don't now because I've actually known Cubans who tried to escape the island and were taken back. It probably means they're not going to get a good government job or something like that, but I don't think anything really happens to them. But the United States really doesn't want the kind of flood of Cubans that we had during the 1980's whatever, Fidel Castro -- when Jimmy Carter said, you know, we welcome Cubans. And they were in a real battle. Fidel Castro turned to all the people -- Cubans, you want to go to the United States? Great, go. We had this mass of people coming during the Mariel lift that the United States couldn't handle. So the United States kind of negotiated with Cuba on this and said, okay, let's find a way to stop this. So what they came up with was something called a lottery. Have you ever heard of the Cuban lottery?

...So here's what happens: remember when I was speaking about the -- when I went to, because I lost my passport, the U.S. Interest Section? There was this long line of people?

Those were all Cubans that were going in to apply for the lottery. So they would sit across the desk and they would say, I would like to go to the United States. And the person on the other side would say, okay. Have you worked in the military or for the Cuban government the last three years? Because if you have, Cuban government is not going to allow you to participate in the lottery. They would say, no, no, no. I'm a banker or I'm an anesthesiologist or whatever. And they would say, okay, if you would get to the States, do you speak English? Do you have family there? How would you support yourself and all that sort of stuff? And they would say, I have family in New Jersey. They have a bakery. I'm a baker. I would work with them and so forth.

And so they would satisfy the person who was taking information from them that they and their family would be eligible for the lottery. That if the person won the lottery, they would be able to function in the United States. They wouldn't be somebody that all of a sudden would immediately be dropped into our welfare system because they didn't speak any English, they had no skills, and so forth. So these people were pre-qualified to be able to go to the United States. So the U.S. government every year determines what the Cuban lottery is going to be. Okay. And so let's say Kyle goes in and you apply for the lottery. And then when they do the annual drawing, you win the lottery. That means that you have the right to be able to go on a plane, fly to the United States, and then become a U.S. citizen.

Okay. Why would the Cuban government go along with that? And this all comes about based on the problems that we had after Mariel and all that kind of stuff when the Cuban government and the U.S. government sat down and worked out this system. It's because the Cuban government would say, Kyle, do you want to go to the United States? That's great. But before you go, you need a medical exam. That's going to be \$400. You are going to need to fill out these papers. The word I had from Cubans I talked to, it cost about \$1,500 --

That goes to the Cuban government for every one of these people that leaves. So all of a sudden, the larger the lottery, the more the Cuban government makes. And the people that are leaving are not people that the Cuban government particularly care about one way or the other whether they are there or not. You're a baker, you're an anesthesiologist. Now if you're a famous baseball player, forget it. You're not going to win the lottery. The Cuban government wouldn't let you go. If you are a famous ballerina, if you are a heart surgeon, if you are a really -- so in other words, certain people that the island considers national assets, treasures, and so forth, they are not going to be able to leave through the lottery system. The lottery system is for folks like you and I. But it's a big money maker. So during the Bush years, they cut down on the lottery because they didn't want the Cuban government to have that money. That's just one more thing that goes on.

This story illustrates how political, economic, and symbolic actions at the national level combined to either support or denounce the irrational US-Cuba relationship under the embargo. A relationship in which both governments could publicly antagonize each other while simultaneously working together to profit off a favorable immigration policy meant bring reform to that very same system. Only under conditions of significant ambiguity could such an irrational system thrive.

## **Chapter Six**

### **Discussion**

The economic embargo of Cuba persists despite the growing public belief that it has been an abject failure. This study helps explain how US and Cuban policy entrepreneurs' actions contributed to the reduction of economic sanctions over the past two years. The economic history of Cuba established the necessary context to better understand the influence of internal and external forces on Cuba's economic performance over time. Typically, the impacts of trade agreements and trade liberalization processes are analyzed quantitatively. This study provides a qualitative approach to understanding trade impacts and the process of policy change by examining the case of US-Cuba diplomatic relations. The study sample consisted of Cubans and Americans from private and public sectors discussing events and experiences surrounding the longstanding embargo. The following discussion is a re-examination of the research sub-questions in an effort to deepen understanding of this dissertation's findings and its contribution to the larger public policy literature.

The first sub-question covered the timing of events in this case study, attempting to understand the conditions leading to renewed commitments from the US and Cuba to normalized relations. 2014 marked the beginning of a new policy window in US-Cuba relations and according to this study's results the following events had the greatest impact on its opening: the succession of Raúl Castro into the Cuban presidency, the second term for President Obama, the death of Venezuelan president Hugo Chavez, mediation from Pope Francis and the Roman Catholic church, and the rapid decrease in global oil prices. The coincident timing of these

significant events at the national level coupled with the actions of individual and state level policy entrepreneurs produced favorable conditions for the coupling of all three MSA streams.

From a US perspective, presidents appear more willing to pursue more profound policy goals in their second terms in office. It was Bill Clinton that helped open a policy window in 2000 when he signed TSRA near the end of his second term as president, re-initiating exports from the US to Cuba and laying the foundation for President Obama's normalization efforts. This trend can most likely be attributed to presidential term limits (2) and the lack of future campaigns to strategize for. Moreover, the actions of national level policy entrepreneurs like presidents are disproportionately influential in the creation of policy windows.

The second sub-question was designed to understand the kind of behavior policy entrepreneurs exhibited to help couple the three streams of MSA. Stakeholder interviews revealed that political, economic, and symbolic actions were most effective in guiding these streams to open policy windows. Again the behavior at the national level had the most impact in opening and extending policy windows. Politically, the content of rhetoric from President Obama, President Castro, and Pope Francis signaled a shift in policy strategies. President Obama claimed the embargo was ineffective and that it was time for a new approach with Cuba. President Castro's speech in 2014 was careful to emphasize Cuban sovereignty while welcoming normal relations with the US. Economically, the search for new markets contributed to both American and Cuban interests in reducing trade barriers. TSRA opened up opportunities for new trade and policy entrepreneurs at the state and individual levels took advantage of that freedom.

Symbolically, the coinciding speeches of presidents Obama and Castro in 2014 showed the world that both countries embraced this new commitment to normal relations. The visit of President Obama to Havana in March of 2016 was another symbolic act extending the viability



of the 2014 policy window. His physical presence supported US political rhetoric of normalization. This historic visit ended with another symbolic gesture from The Rolling Stones, a world-renowned rock and roll band, who played a free concert in Havana. Cuba's embrace of these international cultural icons once again revealed their desire for normal relations with the entire global community, which could only be achieved through reparation of its diplomatic relationship with the US.

Sub-question three focused on the how policy entrepreneur behavior affected change inside a policy window. In-depth interviews illustrated that the three main categories of influencing behaviors: political, economic, and symbolic, were employed at the individual, state, and national scales of organization. Despite the economic distortion of the US embargo, the quantitative analysis of the Cuban economy revealed that Cuba survived the last 55 years thanks to the strength of its external political relationships. The US embargo did not present an insurmountable challenge to the viability of either the Cuban or US economies. Therefore, the push for normalized relations originated from the politics stream as opposed to the problems or policies streams. The lack of a defined problem meant that the policy solutions were ideologically motivated.

Once inside the policy windows of 2000 and 2014, policy entrepreneurs acted in search for rational policy, which was confirmed by re-occurring statements from interviewees stating the irrationality of current US policy towards Cuba. Individual and state policy entrepreneurs worked within the legal and political boundaries established at the national level. The political, economic, and symbolic actions of policy entrepreneurs at all three levels within both policy windows shifted the ideological narrative of US-Cuba relations. The problem was ideological and so policy entrepreneurs from the US and Cuba employed an advocacy approach aimed at

transforming the Cold War narrative of political aggression and isolation to a new regional cooperative narrative, guided by mutual national security and economic interests.

Sub-question four guided inquiries into the connection between Cuban economic performance and political economy theory. Based on Cuba's centralized socialist market economy, its government maintains a strong interventionist role in the economic fortunes of Cuban industry and the Cuban people. This study used the term political economy to refer to the organization of society through the interaction of political, economic, and social functions. Four separate eras defined the Cuban economy since achieving independence at the outset of the twentieth century: pre-US embargo, post-US embargo, post-Soviet Union dissolution, and the twenty-first century.

During each economic era, Cuba relied on preferential political relationships to support its economy and provide for its people. The Cuban economy of the early twentieth-century relied heavily on close trade relations with the US, particularly on sugar and other agricultural products. Cuba experienced periods of growth and recession typically associated with market-based economies, oftentimes following the economic trends of the US economy. Fidel Castro's rise to power in 1959, his nationalization of the means of production, and institution of the US embargo marked the beginning of the second economic era. The once robust US-Cuba trade relationship ended and Cuba closely allied itself politically, economically, and socially with the Soviet Union. Preferential trade agreements on oil and sugar established a de-facto economic subsidy for Cuba.

After the collapse of the Soviet Union in 1989, the Cuban economy faltered in absence of Soviet subsidies. This economic era represented the first time Cuba felt the negative impact of the US embargo as it sought new trade partners. The *Special Period in Time of Peace* spurred a

number of economic reforms including increased foreign direct investment opportunities, eventually stabilizing the economy. Similar to past political strategies, the turn of the century brought a new preferential trade agreement with Venezuela in what was popularly referred to as the doctors for oil program. Cuba sent its skilled doctors and medical professionals to Venezuela to help improve services while also training Venezuelan doctors back in Cuba. In exchange Venezuela exported oil to Cuba at below market value, to which Cuba could then re-export at significant profit, creating a new economic subsidy. This deal remains in effect today but with the global oil supply glut and the consistently low price of oil, Venezuelan oil is no longer the economic windfall it once was. As a result, Cuba is once again in search of new political partners to support its economy and the actions of national policy entrepreneurs helped create the current policy window for policy change in US-Cuba relations.

Finally, sub-question five served as the guide for qualitative inquiry in the study relating interview content on policy entrepreneur behavior with the function of societal institutions. Interviews confirmed that the policymaking process is indeed a means by which individuals can encourage institutional change. In the case of modern US-Cuba relations, interviewees expressed their belief that the US embargo of Cuba was completely irrational. This position supported the argument that their concerns were ideological. As the interviews detailed the role of policy entrepreneurs in the reduction of sanctions, it became clear that their intentions were to change the existing public narrative surrounding the US-Cuba relationship. And through political, economic, and symbolic actions policy entrepreneurs of varying resources and access were able to have an ideological impact that subsequently influenced the policymaking process.

The decision to focus on policy entrepreneur behavior from the LMRR and the Havana metropolitan region was supported by their deep involvement in changing US-Cuba relations, even before the passage of TSRA. One study participant from the New Orleans metropolitan region described her frequent trips to Cuba in the 1980s and 1990s when US-Cuba relations remained antagonistic and the sanctions had become more restrictive. Other interviewees involved in the freight transportation sector of the LMRR approached the topic of normalized relations with Cuba from a unique perspective, defined by feelings of gain and loss. LMRR economies, particularly New Orleans, benefitted significantly from Cuban trade pre-revolution and embargo but they also suffered the greatest losses when that trade ended. It is through this lens that LMRR policy entrepreneurs approached US-Cuba relations, in what could be described as cautious optimism. LMRR is well positioned to once again benefit from improved US-Cuba relations in the tourism and agriculture sectors. However, interviewees' tempered attitudes towards the potential for economic gain indicates that the benefits of normalized relations may be overstated and that political disagreements still loom large over the US-Cuba relationship.

After 450 years of actual and de-facto occupation from outside forces, Castro presented Cubans with an opportunity to control their own political fate at the expense of switching from complete economic reliance on the US to reliance on the Soviet Union. In the lead up to the revolution in 1958 the Cuban economy was completely dependent on commodities exchange with the US. They catered to American tourists and Cuban industry was increasingly owned and operated by US interests, while average Cuban citizens faced chronic unemployment, civil rights violations, and lack of development outside of Havana. Castro's seizure of foreign-owned property gave Cuba control of its land and industry but its economic dependence on foreign subsidies for viability meant another thirty years of vulnerability to outside forces.

It was not until the collapse of the Soviet Union in 1989 and the subsequent economic depression of the early 1990s, that Cuba began to make the reforms necessary to regain control of its economic fate. The beginning of the twenty-first century brought another preferential trade agreement, this time with Venezuela for oil imports that Cuba could then re-export at a significant profit. With the death of Venezuela's Hugo Chavez and the low price of oil on the global market, Cuba is in search of new economic opportunities. Beyond their close geographic proximity, neither the US or Cuba have a large incentive to trade with each other. Cuba represents a small market relative to the entirety of US international trade, but it is a significant opportunity for US states with strong agricultural and import/export economies. Certainly Cuba would benefit from increased access to US markets considering the reduced freight transportation costs, but there are other potential trade partners in the world economy. The embargo has hurt Cuba's ability to trade with American ally nations, and it has distorted freight flows in the Gulf of Mexico.

Even if the embargo is lifted, the Cuban government remains a barrier to economic stability due to past policy decisions. Cuba lacks the cash flow to immediately increase trade with the US; any significant changes in imports would likely divert trade from other current suppliers. The US and Cuba will need to resolve the issue of compensation for property seizures during the revolution before full trade can resume. Politically, American representatives continue to publicly advocate for full democratic rights for Cuban citizens.

The short-term future of US-Cuba relations is dependent on the extent of policy change made within the current policy window. It is difficult to predict what normal relations will look like but Mesa-Lago (2006) describes how a socialist market economy like Cuba's could succeed in the short-term, "It should be based on an intensive utilization of the skilled labor force with

high potential of learning, and technologically advanced ex-ports and services, an export-oriented industrialization process relying on Cuba's most important resources: its people." (p. 175) Multiple interview participants expressed that Mexico's economic development was a reasonable model for potential growth in Cuba. They also identified the tourism, agriculture, telecommunications, and textile manufacturing (particularly denim) sectors as immediate beneficiaries in the absence of the embargo. Lektzian and Souva (2001) found that rebuilding economic trust and fostering democracy are critical elements to increased trade after years of sanctions. Furthermore, they concluded that the presence of democratic institutions re-stores confidence among trade partners by reducing transaction cost and uncertainty, leading to more rapid trade recovery. Based on this argument, as Cuban institutions adopt more democratic principles, the pace of trade restoration will increase.

Beyond economic impacts, the uptake of democracy in Cuba also has implications for increased citizen participation. Another sentiment shared among participants was the idea that average Cuban citizens would become more empowered to make a political change with a greater economic stake in society. Subject G was especially optimistic for future US-Cuba relations despite past frustrations with the embargo because of her belief in the Cuban spirit,

KG: ... so do you still, kind of going back to what you were saying earlier that you really thought that trade was a way to empower the people, do you still believe that?

G: Yes. I truly think that that is the key. Cubans think they've got to work. Oh my god, they are the most hard-working people and they are so smart. I mean, they have been -- I don't want to say overeducated. I don't think anybody can be overeducated. But because they have been so insulated for so long, they have had terrific education. And they're creative... They're artists. They're artisans. It's just an amazing culture...

So I do think that trade is the way to open those relationships back up...one of the most promising situations in Cuba is that unlike Russia, Cuba has only been under communism for about 50 years where there is still a collective memory of what free trade looks like.

Despite the negative impacts of the embargo, these last 55 years represent a short time in the long history of US-Cuba relations. As the previous dialogue illustrates, the lessons learned from past relations can inform new negotiations that protect Cuban sovereignty and US economic interests in the Gulf of Mexico.

## Conclusions

The LMRR of the US is a critical node in the flow of global commerce to and from the world's largest economy. Cuba's central location within the major shipping routes of the Caribbean Basin and their ability to disrupt these freight flows elevates the significance of their relationship with the US. As one of America's longest-standing trade policies, the embargo has not achieved its intended goal of political regime change in Cuba. The coinciding presidential speeches of 2014 marked the beginning of an opportunity for policy change i.e. policy window. This study investigated the behavior of policy entrepreneurs on the process of restoring diplomatic relations and effectively disrupting the cycle of political, economic, and social interaction defined by political economy theory.

The results of the study suggest that policy entrepreneurs operate at the individual, state, and national scales of society using a variety of symbols to create and broaden opportunities for policy change. Diplomatic relations between the US and Cuba over the last 55 plus years can best described as "not normal", wholly different from US relations with the rest of the world. Across all three levels, US and Cuban policy entrepreneur's behavior is guided by the search for rationality in an ambiguous or unusual environment. Their actions can be classified into three separate categories: political, economic, and symbolic.

At the individual level, policy entrepreneurs in both countries relied on the use of symbols (cultural gestures, travel, way of life) to build relationships and advocate for change. At the state level, policy entrepreneurs used existing ideological conflicts to create meaning and further agendas. In this case, following the passage of the TSRA in 2000, which loosened export restrictions to Cuba, state actors in search of new trade markets became the leading voice in petitioning the federal government for policy change. In this way the political issue of the US



embargo of Cuba was subsumed into the greater American federalism debate, as to the role of the federal government and individual states in governance. Though this study focuses on the influence of policy entrepreneurs in the process of normalizing relations, their agency is bounded by the parameters of what is legally and politically acceptable, often determined institutionally. National policy entrepreneurs like US President Barack Obama, Cuban President Raúl Castro, and Pope Francis of the Roman Catholic Church exercise significant power in policymaking by opening and extending policy windows in addition to framing the terms of debate once inside. Consequently, the culmination of behavior from these three types of policy entrepreneurs is one approach to re-structuring society's institutions through the manipulation of the policymaking process.

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## Appendix A:

### ENG 1

**Subject:**

**Date:**

**Place:**

**Affiliations:**

**Goals:**

- To explore what kinds of actions policy entrepreneurs made and are continuing to make throughout the Obama presidency
- To understand the relationship freight transportation and the policymaking process
- To investigate how the US embargo of Cuba rose to the top of the policy agenda
- 30-45 minute interview

**Questions:**

1. Tell me a little about yourself, where did you grow up?
2. Can you give me a run down of your work experience? e.g. places you've worked, jobs you've held etc. What drew you to your current industry?
3. Thinking about your current job, how would you describe your day-to-day job duties?
4. What are some of the professional organizations that you'd say you're an active member of?
5. Let's talk about trade; how do you see the role of the Louisiana/ US Gulf Coast in the global economy?
6. How do you think other countries view the US right now?
7. Thinking about your specific job tasks, can you describe the impact of government policies and regulations on your industry?
  - a. Now with those impacts you just listed, would you make a distinction between local, state, and federal policies?
  - b. Can you think of different perspectives on government policy and regulation that are out there? Maybe from friends, colleagues or other industries...
8. What would you say is the industry perspective on policymakers at the local, state, federal level?
9. Shifting gears a bit, what are your thoughts about Cuba?
10. Can you give me a laundry list of people or organizations you think are behind the latest push for full trade with Cuba?
11. Which industries and regions currently benefit from the embargo? Who will be the winners and losers if the embargo is lifted?
12. Is there anything else you'd like to add that we didn't cover?

**Notes:**

## ENG 2

**Subject:**

**Date:**

**Place:**

**Affiliations:**

**Goals:**

- To explore what kinds of actions policy entrepreneurs made and are continuing to make throughout the Obama presidency
- To understand the relationship freight transportation and the policymaking process
- To investigate how the US embargo of Cuba rose to the top of the policy agenda
- 30-45 minute interview

**Questions:**

1. Tell me a little about yourself, where did you grow up?
2. Can you give me a run down of your work experience? e.g. places you've worked, jobs you've held etc. What drew you to your current industry?
3. Can you tell me a little about your business?
4. Let's talk about trade; how do you see the role of the Louisiana/ US Gulf Coast in the global economy?
5. How do you think other countries view the US right now?
6. Shifting gears a bit, what are your thoughts about Cuba?
7. With regard to Cuban's daily life, how do you think they have survived considering the influence of US sanctions and the Castro-led government?
8. What are the greatest forms of oppression in your mind imposed on the Cuban people by their government?
9. Who would you say reached out first following the 2000 TSRE Act? Americans or Cubans?
10. Once states decided to rebuild trade relations with Cuba, what was the strategy in dealing with the federal government and navigating the economic sanctions?
11. What do you think will happen in US politics as relations continue to normalize? Do demographics changes in the US play a role?
12. What policy changes in particular from the US will best help average Cuban citizens?
13. Is there anything else you'd like to add that we didn't cover?

**Notes:**

## Entrevista – Cuba, febrero 2016

### SPA

**ID de investigacion:**

**Fecha:**

**Lugar:**

**Afiliaciones:**

**Objetivos :**

3)

- Explorar qué tipo de acción los gestores de cambio de políticas (policy entrepreneurs) hizo y continúan haciendo durante la presidencia de Obama
- Comprender la relación entre el transporte de mercancías y el proceso de formulación de políticas
- Investigar cómo el embargo de Estados Unidos contra Cuba llegó a la cima de la agenda política
- Entrevista 30-45 minutos

**Preguntas:**

1. Cuéntar un poco sobre usted, ¿Cuál es su profesión? ¿Algo de su vida?
2. ¿Puede usted darme un recorrido por su experiencia de trabajo? por ejemplo, los lugares donde ha trabajado, los trabajos que ha celebrado etc. ¿Qué llevó usted a el sector de transporte de carga?
3. Relativo a su trabajo actual, ¿cómo describiría sus funciones de trabajo cotidiano?
4. ¿Usted es un miembro activo de algunos organismos profesionales?
- 4) ¿Cómo describiría la importancia del transporte de carga en la sociedad Cubana?
5. En ese sentido, ¿Cómo ve el papel de los EE.UU. en la economía global?
6. ¿Cómo cree que otros países consideran que Cuba en este momento?
- 5) En relación con sus tareas específicas del trabajo, ¿puede describir el impacto de las políticas del gobierno y reglamentos sobre el transporte de carga?
  - 6) a. Ahora con los impactos que acabo de enumerar, puede distinguir entre políticas locales, estatales, y federales?
  - 7) b. ¿Puedes pensar en diferentes puntos de vista sobre estas políticas y regulaciones? Tal vez de amigos, colegas o industrias (intermediarios, transportistas...)
7. ¿Cuál diría usted que es la perspectiva de la industria sobre los planificadores y los formuladores de políticas en nivel estatal y local?
8. Cambiando de tema, ¿cuáles son sus pensamientos sobre los EE.UU.?
9. ¿Me puede dar una larga lista de organismos o personas que considera que están detrás del último impulso para el comercio total con Cuba?

10. ¿En este momento qué industrias y regiones benefician del embargo? ¿Quiénes serán los ganadores y perdedores si se levanta el embargo?
11. ¿Hay algo más que a usted le gustaría que decir sobre este tema y que no cubrimos?
12. Notas:

## **Vita**

Kyle Griffith was born in Concord, California. He attended the University of Miami (Florida) College of Engineering where he earned his bachelor of science degree in architectural engineering. He holds a master of science degree in civil engineering from Drexel University in Philadelphia. His master's thesis evaluated contamination assessment methods for interior surfaces after a microbial spore release. He joined the University of New Orleans (UNO) urban studies doctoral program in 2012. Since then he has conducted transportation planning and social science hazards research for the Merritt C. Becker Jr. UNO Transportation Institute and the Center for Hazards Assessment, Response & Technology, respectively.