

“Cuba’s democratic transition will be choppy because it will be led by groups not necessarily known to prefer democracy: the armed forces and expatriate businesspeople.”

## Cuba after Fidel

JAVIER CORRALES

If you ask any Cuban to name the best video of 2004, there will be no debate: nothing beats the October images of Fidel Castro tripping and falling after delivering a graduation speech. The sight of the Cuban dictator helplessly crashing to the floor seemed unreal. For some, it was a visual representation of Castro’s numerous missteps. For others, it offered a symbol of the regime’s resilience. After all, Castro only broke his knee and right arm, and was quickly back in charge, despite his spectacular stumble.

Regardless of one’s reaction, the incident forces an obvious question: How much longer will Castro manage to escape death or retirement, forced or voluntary? At 78, having ruled his country since 1959, Castro or his luck may not last much longer.

Cubanologists have been obsessed with the succession question for at least two decades now. This debate has always been personcentric, with the focus on who will succeed Fidel. The Cuban constitution is unambiguous about Fidel’s succession: “In the event of absence, illness or death, the President of the Council of State will be replaced by the First Vice President.” This position is currently held by Castro’s eternally loyal brother and chief of the Revolutionary Armed Forces, Raúl. But because Raúl is 73, there is speculation that the real successor will be somebody else, perhaps Fidel’s increasingly visible son, Fidel Castro Díaz-Balart, a nuclear energy expert and a relative of Cuban-American US Representative Lincoln Díaz-Balart (R-FLA.). Cuba’s economic czar and vice president of the Council of State, Carlos Lage, has also been mentioned, as has the regime’s most unrepentant international apologist, Ricardo Alarcón, president of the National Assembly of the People’s Power.

Fidel’s successor could also be a complete stranger who manages to outsmart every other power con-

tender, as is typical during succession crises. The successor may or may not have Fidel’s gripping personality. Who knows? Uncertainty about succession is what helps separate dictatorships from other regimes. Rather than focusing on who will replace Castro, it is much more useful to think about Cuba’s future political forces. Regardless of background and inclination, any successor to Castro will have to deal with the political forces unleashed after Castro’s demise.

Anticipating all such forces is impossible, of course, but events in the last few months of 2004 provided a preview of what some of them might be. In November, the Cuban government banned the use of dollars in retail trade and imposed a 10 percent surcharge on exchanging dollars. In December, it held the largest military exercises in nearly 20 years. That same month, the government announced an agreement to purchase approximately \$106 million in farm goods from US companies.

The signs are clear. Castro will leave a state that is keener on taxing dollar-holders than in encouraging dollar making, and a nation in which the two most formidable political actors will be the military and US businesses. This array of forces is not necessarily auspicious for democracy, but it is not hopeless either.

### FEEDING THE MONSTER

In 1993, Cuba began to introduce market reforms. Typically, market reforms are implemented in the hope of generating societal wealth: the private sector is supposed to become stronger and more autonomous, the middle classes expand and diversify, and low-income groups enjoy improvements in poverty levels. None of this happened in Cuba. Rather than creating a stronger society, market reforms in Cuba served to fortify the armed forces.

That the military—and not society—emerged as the winner of Cuba’s economic reforms stems from the way the reforms were introduced. Market reforms, such as they were, came with heavy state

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controls and almost unheard of restrictions on property rights. Few sectors were opened to private investment (mainly tourism, telecommunications, and certain natural resource sectors such as nickel production). Only foreign private investment was welcomed; the government banned Cuban citizens from holding equity in corporations, forming economic partnerships with other Cubans or foreigners, and hiring employees. Very few Cubans were allowed to become self-employed, and those who were had to deal with burdensome regulations such as onerous taxation, bans on hiring workers, and restrictions on procurements.

In short, most Cubans continued to be denied the most rudimentary property rights. Consequently, private investment in Cuba never amounted to much—a tiny 4 percent of GDP in 2000 (compared with 17 percent in China), most of which consists of foreign investment and remittances from the United States. Since the reforms went into effect the only way for an ordinary citizen to make money in Cuba is to participate in illegal markets, obtain tips from tourists, or have good family connections in the United States (or in the government). The lack of property rights precludes citizens from generating wealth.

In contrast, members of the armed forces in the 1990s received the most enviable property and political rights in Cuba. They were allowed to manage and own many tourist facilities, to participate in joint ventures with international investors, and to occupy cabinet positions connected to the external sector. These prerogatives converted the military into the institution with the most privileged access to Cuba's dollar economy.

It is easy to understand Castro's decision to tweak market reforms to privilege the military to the detriment of ordinary Cubans. In the early 1990s, the regime was politically at risk, imperiled by a deep depression brought on by the economic mistakes of the 1980s and the collapse of Cuba's main benefac-

tor, the Soviet bloc. The Cuban regime faced an urgent need to generate dollars and to secure political loyalties. Full-fledged liberalization, in which the state would grant property rights to citizens at large, would have been too risky, potentially empowering many members of society indiscriminately, including political dissenters. Instead of granting property rights to citizens at large, the Cuban state provided the rights selectively, privileging the institutions whose loyalty was assured: the armed forces and members of the Cuban Communist Party.

By giving property rights to the military and the official party rather than to ordinary citizens, the state obtained the needed capitalists to manage the new dollar-based operations while at the same time

channeling profits only to loyalists. This politically skewed market-reform process allowed the regime to survive, but it engendered the very same monster that the state sought to avoid: a homegrown organization of monopolist capitalists, albeit in the hands of Cuban generals. The Cuban military may now be smaller than ever, but it is also more spoiled than ever, pocketing some of Cuba's most formidable profits.

As with every monster, the Cuban military must be fed handsomely. This explains why Castro seems to be increasing the military budget to an estimated \$1.5 billion for 2005 (or 6.5 percent of government

expenses), has begun to upgrade the military's weapons systems, and carried out an ostentatious military parade at the end of 2004. Cuba's military policy has become special access to dollars, weapons, and parades. Any future administration will also need to find ways to feed this monster, or figure out how to contain it.

## DIGGING FOR DOLLARS

Cuba's lavish military policy might also help to explain a recent spate of economic crackdowns, of which the 2004 ban on the dollar is perhaps the most draconian. Dollars, weapons, and parades for



Castro after the Fall

the military are expensive. And by 2003 the state was running low on cash. A series of economic maladies—including price distortions, stagnation of nontraditional exports, declining foreign investment, the collapse of the sugar industry, and the continuing inefficiency of state-owned enterprises—have locked Cuba into a chronic shortage of foreign exchange. More external shocks in 2004 (the rise in oil prices, two hurricanes and one drought) aggravated this shortage. The only short-term solution to this foreign exchange crisis was to hoard as many dollars as possible, and this meant taking dollars away from ordinary Cubans.

When the government allowed Cubans to use dollars in 1993, a boom in remittances from the United States ensued, benefiting as many as 60 percent of Cubans, according to economist Carmelo Mesa-Lago. At first, these remittances fueled a consumption boom. Cubans flocked to newly created dollar-based retail stores to acquire big-ticket items such as televisions and refrigerators. The state profited from the boom, since all retail stores in Cuba are state-owned.

But by 2000, households receiving remittances had met most of their pressing needs for big-ticket items,

and Cuba's consumption boom stabilized. Cubans began instead to save their dollars—the logical reaction to political uncertainty—and to rely more on illegal markets for their daily needs, where goods and services are cheaper than in state-owned stores. The Cuban government had no way to tap into these privately transacted dollars.

The solution was to issue Resolution 80, banning the dollar altogether in retail operations. This ban forces Cubans to exchange many of their saved dollars for Cuban convertible pesos—with a 10 percent surcharge added by the government. If the 15 percent average price increase that went into effect in Cuba's dollar stores in May of 2004 is added, the result is a devaluation of at least 25 percent. Approximately 2.5 million Cubans lined up after the ban was imposed last year to trade their dollars for "chavitos," as the new convertible peso is locally known. Overnight, the Cuban state collected millions in hard currency that Cubans had saved.

Predictably, Cuban officials claim that Resolution 80 was a response to US aggression. They point to the \$100 million fine imposed by the Federal

Reserve Bank of the United States on UBS, a Swiss bank, for accepting \$3.9 billion in deposits from Cuba between 1996 and 2003. The United States claims that these funds constitute money laundering. Ernesto Betancourt, a former aide to Castro and now a key Castro opponent in Washington, asks what else—besides money laundering—could explain the huge gap between actual foreign-worker remittances received (from \$200 million to \$300 million annually) and the official figures of \$900 million to \$1.2 billion annually that the Cuban government has provided to a UN agency, the Economic Commission for Latin American and the Caribbean. The UBS deposits cannot be tourism-related money either, argues Betancourt, since most tourist-related transactions are paid with credit cards. Cuban officials deny the money-laundering charges.

Blaming Resolution 80 on US actions against the Swiss bank seems, in any case, disingenuous. If the point was to avoid US-based restrictions on Cuban deposits abroad, the government should have

banned all dollar transactions in Cuba. However, Resolution 80 still allows foreign corporations and credit-card holders, most of whom are foreigners, to use

dollars. Clearly, the Cuban government is selectively punishing and taxing ordinary citizens.

Resolution 80 occurred on the heels of other restrictions on the economic activities of Cubans: new crackdowns on informal markets such as private taxis, restrictions on the sale of automobiles, the 15 percent price increase in state-owned dollar stores, and the elimination of 40 occupations from the already small list of authorized professions for self-employment.

The trend is clear. Rather than encourage Cubans to make and invest dollars by extending property rights, the Cuban state is confiscating most of their savings and discouraging economic ingenuity. Taxation and confiscation are privileged over institutions that promote economic associations and investments. Economic rights are deliberately withheld from civil society, thus keeping it poor. For the state, the only economic purpose of ordinary citizens is to act as conduits of dollars from their relatives in Miami into government hands.

These economic restrictions occur on top of Cuba's routine restrictions on political and civil lib-

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### The Rise of Cuban-American Moderates

Percentage of Cuban-Americans in south Florida who:	1991	2004
Oppose tightening the embargo	13.6	34.0
Support establishing a national dialogue	39.8	55.6
Would oppose an exile invasion of Cuba	23.7	39.8
Support allowing food sales to Cuba	23.4	54.8
Oppose the US ban on business in Cuba	38.4*	51.1

\*1997

Source: Cuban Research Institute, Florida International University, Miami, Florida.

erties. A reminder of the regime's repressive streak was the hasty execution of three Cubans trying to escape Cuba and the imprisonment of 75 civil-rights activists in 2003. Pressured by the European Union, which imposed an embargo on Cuba in protest, the Cuban government released 14 of the prisoners in late 2004. However, these individuals were granted only "*licencia extrapenal*," which means that the state can send them back to prison after a year. Unless they leave Cuba, the released prisoners, like most Cuban dissidents, are forever hostages of the state, subject to incarceration at any time. The combination of economic and political restrictions enfeebles Cuban civil society.

The next president of Cuba will thus inherit a lamentable imbalance of political forces: a fortified armed forces and an anemic civil society. This skewed distribution of power is certainly not good for democracy. If anything, democratization requires the exact opposite distribution of power: a military that is weak enough to remain under civilian control, and a civil society that is strong enough to keep civilian authorities in check.

### ENDING THE EMBARGO

The next Cuban leader will also confront the consequences of lifting the US embargo on Cuba. It is not evident that bringing an end to the embargo will be the economic panacea that many advocates imagine. It is clear that it will add a new and powerful actor to Cuba's military-dominated political scene—corporate America, and in particular, Cuban-Americans. This will further complicate Cuba's democratization.

Technically, the embargo may not be lifted right away. Depending on which policy document or pol-

icy analyst one pays attention to, the embargo can be removed as soon as the "Castro dictatorship" ends, or as long as it takes for a democratic regime to emerge or for the Cuban state to compensate US citizens for properties confiscated during the revolution—which could happen many years after the Castros expire. Yet the embargo will probably be lifted soon, certainly before there is a real democratic regime in Cuba. The reason? The political forces pushing for ending the embargo in the United States have never been stronger.

During the cold war, the domestic politics of the embargo were simple. There were two political camps, one favoring the embargo, the other opposing it. The former camp was powerful, the latter insignificant. The pro-embargo group included all presidents, both political parties, and the vast majority of US citizens, including most Cuban-Americans. The anti-embargo camp included the marginal left and a few progressive churches. The result was a very stable political environment in favor of the embargo.

The cold war's end complicated the domestic politics of the embargo by splitting these camps into three: those in favor of keeping the embargo as it is, those who wanted to lift or soften it, and those in favor of tightening it. The White House in the 1990s tried to stay on the "keeper" side. But many congressional members of both parties, reacting to sentiments among Cuban-Americans, began to move to the other two positions.

The split among Cuban-Americans regarding the embargo was perhaps the least noticed but most significant change in the politics of the embargo in the 1990s. Surveys of Cuban-Americans in south Florida conducted by the Cuban Research Institute at Florida International University in Miami reveal that, although a majority still generally favor an embargo, support for more moderate positions increased—in some cases doubled—between 1991 and 2004 (see the table this page). A key component of the embargo, the ban on doing business in Cuba, is now opposed by as many as 51 percent of Cuban-Americans (40 percent "strongly disapprove" and 11 percent "mostly disapprove"). The notion of a monolithic, hyperconservative, recalcitrant pro-embargo Cuban-American bloc in south Florida is just a myth.

Yet, even as the number of Cuban-American moderates increased in the 1990s, some anti-Castro Cuban-Americans became even more conservative. Frustrated with the survival of the Castro dictator-

ship despite regime transitions elsewhere in Latin America and in Eastern Europe, these hard-liners thought that with a little extra push, Castro's government would easily collapse. The result was a rise in the intensity of conservative Cuban-Americans even as their relative numbers declined. These hard-liners led the pro-tightening camp and lobbied hard in Washington.

After Cuban military jets in 1996 downed, over international waters, two planes piloted by civilian Cuban-Americans that had penetrated Cuban air space, the hard-liners in the United States saw a chance to score a political victory. A coalition of conservative Cuban-Americans interested in strangling Fidel further and conservative Republicans interested in shackling Democratic President Bill Clinton used reaction to the shoot-down as an opportunity to tighten the embargo by passing the Helms-Burton Act. Helms-Burton—named after its sponsors, Republican Senator Jesse Helms and Democratic Representative Dan Burton—requires the United States to crack down on businesses in other countries “trafficking” with properties in Cuba owned by Americans prior to the 1959 revolution. The act also converts the embargo into a law, amendable only by the US Congress, thus arrogating Cuban policy from the White House.

Yet the pro-lifting forces, both among Democrats and Republicans in Congress and among Cuban-Americans, also continued to gain momentum. In 2000 they scored a major victory with the passing of the Trade Sanctions Reform and Export Enhancement Act. TSREE created a crack in the embargo by allowing US businesses to sell agricultural produce to Cuba. Sales expanded rapidly: in three years, Cuba went from last to twenty-second place among US agricultural export markets. Today, 27 firms from 12 US states are doing business with Cuba. In November 2004 more than 340 representatives from 165 US firms, in addition to various political representatives from various US states, participated in a government-sponsored meeting in Havana to explore business contracts.

TSREE fundamentally altered the politics of the embargo in the United States by decidedly placing corporate America in the pro-lifting camp. Trade has a predictable effect on politics: it always boosts the

forces interested in sustaining and expanding trade by bringing in the firms that are exporting and those that want to enter the business. This explains why the November meeting in Havana was so well attended. It also explains why US exporters to Cuba have become the most ardent critics of President George W. Bush's efforts to tighten the embargo.

Never in the history of the embargo has this pro-lifting coalition been stronger. It now includes three formidable and politically diverse actors in US politics: large agricultural firms (with widespread support from Wall Street), many religious groups (on the left and the right), and most moderate and leftist Americans. This pro-lifting coalition has allies in Congress across the aisle, and among Cuban-Americans. It will be very difficult for any US president or Congress to resist this coalition.

President Bush has, however, attempted to increase restrictions on the embargo. He began in mid-2004 by dismantling the policy—started by Clinton and modeled after President Ronald Reagan's approach toward the Soviet Union—of promoting people-to-people contacts by liberalizing travel opportunities to Cuba. The Bush administration has chosen instead to establish limits on the

number of visits that Cuban-Americans are allowed to make, from once a year to once every three years; on the relatives that can be visited (only close relatives); and on the number of items that can be shipped, including restrictions on remittances. The administration has also increased restrictions on education travel to and from Cuba. In December, the administration began to consider disrupting the incipient trade with Cuba by requiring Cuba to pay for its imports before any merchandise leaves US ports.

Although these restrictions are targeted against the Castro regime, the real victims are Cuban-Americans and US firms. In June, Cuban-Americans carried out various protests in Hialeah, Florida, even taking out newspaper ads condemning Bush. And in December, 34 powerful organizations representing US farm exporters, with support from congressional leaders, sent a stern letter to the White House demanding that it not go ahead with the “unnecessary and hurtful” restrictions being considered. Bush has provoked what few other Repub-

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lican presidents have accomplished: the visible anger of Cuban-Americans and farm exporters, all congregated in Republican-voting states. Bush might be able to restrict people-to-people contacts, but trade seems harder to stop. The political power of US exporters to Cuba is likely to increase.

### ENTER THE CUBAN-AMERICANS

Ending the embargo will have many repercussions for Cuba, but widespread economic prosperity may not be one of them. Even defenders of globalization concede that trade alone is insufficient for economic growth. The key to growth is the rise of transparent political institutions that ensure fiscal prudence, guarantee competitive property rights to citizens, and secure effective court systems that prevent cartels and corruption. Lifting the embargo will not automatically yield this institutional revolution in Cuba: the Cuban state could liberalize trade with the United States while neglecting to revamp domestic political institutions. The result might be economic gains for traders but not necessarily for the mass of Cuban citizens.

While the economic impact of lifting the embargo might be limited, the political consequences will be enormous. Lifting the embargo will inject a new actor into Cuban politics: US businesses. But there is a catch. Corporate America in Cuba will have a distinctive face. It will be heavily dominated by Cuban-Americans.

US firms in Cuba will have a strong Cuban-American component for a variety of reasons. First, there is the attractiveness of the Cuban-American labor market for US exporters to Cuba. Any business leader thinking of doing business in Cuba would do well to hire Cuban-Americans as strategists. Cuban-Americans have the right skills (higher levels of education, success in business), the bicultural competence, and the right citizenship: unlike Cuban nationals, Cuban-Americans with US citizenship would be free to do business in Cuba, at least under current Cuban laws.

Second, most US firms that export to Latin America are based in Florida, where Cuban-Americans are overly represented in the labor market. Florida is the seventh-largest exporting state in the nation, with an export structure decidedly oriented toward Latin America. Florida's top 20 export destinations include 12 Latin American countries (in contrast to California, whose top 20 list includes only one Latin American nation). In short, Florida specializes in exports to Latin America and is thus likely to dominate

future exports to Cuba. Most of these Florida exporters are located in Miami, where Cuban-Americans dominate the labor market. Miami is also home to 22 of the top 50 Hispanic-owned exporting companies in the United States.

Cuban-Americans thus will comprise a disproportionate number of employees, managers, representatives, strategists, analysts, CEOs, and even owners of US firms doing business in Cuba. They will be the face of corporate America in Cuba. This is already visible. To handle its trade missions to Cuba, Louisiana's economic development secretary, Michael Olivier, has hired a Cuban-American, Felipe Martínez.

The politics of the embargo in the United States suggests that the current postures of both Presidents Bush and Castro are politically untenable. Bush wants to tighten the embargo and still have the support of corporate America. Castro wants to lift the embargo and impose political controls on Miami-based expatriates. Both views are politically unrealistic. The United States cannot tighten the embargo without alienating corporate America, just as Cuba cannot welcome US firms and deny political space to Cuban-Americans.

### GENERALS AND ENTREPRENEURS

Post-Castro, post-embargo politics in Cuba will be determined, maybe even dictated, by the Cuban armed forces and Cuban-Americans representing US firms. These will be the two most significant political actors to emerge after Castro. The Cuban armed forces already enjoy the most extraordinary privileges in Cuba, and Cuban-Americans will quickly become powerful in Cuba since they will bring all the mighty resources that corporate America has to offer: money, know-how, technology, and marketing savvy. It will be up to these two actors to negotiate the rules of the game in post-Castro politics.

Will these actors negotiate democratic rules? It is easy to imagine dark scenarios. Soldiers and businesspeople are not the protagonists that come to mind when one thinks of the world's democratic revolutions. One particularly undesirable outcome would be for Cuban generals and Cuban-American business leaders to negotiate self-serving economic monopolies to the exclusion of others, much as the Cuban state has been doing thus far by granting monopolies exclusively to foreign investors and state agencies. Having consolidated their economic power, Cuban soldiers and Cuban-American firms could then set up puppet governments.

Mark Falcoff, a senior scholar at the American Enterprise Institute, compares Cuban-American entrepreneurs to Chinese-American entrepreneurs. For years, Chinese-Americans opposed the normalization of relations with authoritarian China; after trade started, they became strong supporters of good relations with the powers that be. Cuban-American entrepreneurs could end up replicating the pro-status quo force that Chinese-American businesses play in China today.

Alternatively, Cuban soldiers and Cuban-American business leaders could spoil democracy indirectly: by fighting each other or simply by provoking a populist backlash. Ordinary Cubans, feeling excluded and repulsed by the cartel power of soldiers and expatriates, could elect a populist, nationalist, authoritarian leader who imposes political and economic restrictions, putatively to contain the influence of these cartels.

These and other undemocratic outcomes are no doubt possible. But they are not preordained. Despite their uncertain commitment to democracy, Cuban soldiers and Cuban-American business leaders can force each other to move in a democratic direction. This is how.

Any democratic transition will require, at a minimum, the following outcomes: economic liberalization, which means disseminating property rights and competitive economic forces; political liberalization, which means granting political rights to opposition forces; and self-restraint, which means creating rules that limit the power of leading political actors.

Cuban-American businesses might act as the most important force for the first outcome, pushing the Cuban armed forces to provide a more competitive property-rights regime, if for no other reason than to obtain for themselves greater freedoms to operate in Cuba (for example, to select the employees and business partners that they want). Cuban-American businesses could even fight among themselves to limit the number of cartels, simply because competition for markets will be ferocious among Cuban-Americans, just as it is in Miami.

Other investors in Cuba, especially those who feel constrained by existing market restrictions, might side with Cuban-American businesses in pushing the armed forces to expand the market, but only if these foreign firms feel strong enough to

compete. In turn, the armed forces might agree to these demands for economic liberalization if they know that they can participate in new partnerships with Cuban-American businesses, since links with US corporations are everyone's business dream. Provided there are opportunities for joint ventures, the military might accept the demands for economic liberalization that Cuban-American business leaders will likely make.

Regarding the second outcome, political liberalization, the negotiations might be trickier. Cuban generals are likely to present an unyielding stipulation: they will only accept giving rights to the opposition provided there are assurances that they will not be prosecuted for human rights (or any Castro-era) abuses. They might even attempt to change the current constitution, which, according to Harvard professor Jorge I. Domínguez, has the one benefit of limiting the power of the military and guaranteeing civilian supremacy. In essence, the Cuban military will demand a conditional transition, in which its

security and relative autonomy are safeguarded. As a condition for doing business in Cuba, this demand would probably not be that costly for Cuban-American entrepreneurs to accept. (Corporate lead-

ers for the most part have no qualms about doing business with former human rights abusers.)

This condition may be much harder for the rest of the opposition in Miami (and in Cuba) to accept. It would prefer to purge Cuba of its authoritarian—that is, Castroite—institutions, of which the armed forces are a principal pillar. This is where Cuban-American business leaders might play the most constructive role: by persuading their most rabid counterparts in Miami to go easy on the Cuban military. If they succeed, Cuban-American firms will assuage the fears of Cuban generals and thus encourage them to take the risk of liberalizing politically.

The last item on the democratic agenda concerns self-restraints. In all political systems, it is hard to convince the powerful actors to accept rules of self-restraint. The politically dominant actors have no incentive to accept such rules, precisely because no other actor is powerful enough to pressure them to do so. The best solution to this dilemma is to ensure some form of power parity. Only when competing groups have comparable levels of power will

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they have the necessary motivation to agree (or to force others to agree) to rules of self-restraint, if for no other reason than to prevent rivals from becoming too abusive.

Insofar as the entry of Cuban-American businesses helps to level the disproportionate power of the Cuban armed forces, the incentive structure in favor of rules of self-restraint might increase. And this bodes well for democracy.

### **A DEMOCRATIC CUBA?**

Cuba's democratic transition will be choppy because it will be led by groups not necessarily known to prefer democracy: the armed forces and expatriate-led US firms—both interested in creating business opportunities for themselves. Other societal and foreign actors will play a role, but their power will be insufficient to block the overwhelming influence of Cuban soldiers and Cuban-Americans representing US companies.

In Latin America, it is hard to find cases of democratic transitions in which soldiers and expatriate business groups played such leading roles. In South America in the 1980s, the military was arguably strong at the time of the transitions, but so was civil society, and in none of these cases did corporate America or expatriates representing corporate America take on as big a role as they will have in Cuba. The closest case may be Mexico, where arguably American businesses, with a strong compo-

ment of expatriates, played a salient role during the transition to democracy in the late 1990s.

But even in Mexico in the 1990s, domestic civil society was strong and the military was weak, distinguishing it from a post-Castro, post-embargo Cuba. The distribution of power among the military, domestic civil society, and expatriate business leaders that is likely to emerge in this future Cuba has had no match in Latin America.

The transition to democracy in Cuba will be unique, certainly hard, potentially elusive, but not impossible. The self-interest of Cuba's two leading political actors may push them in the right direction. The armed forces' desire for greater profits might push them to accept the business conditions of Cuban-Americans representing corporate America. This may mean greater economic liberalization. The desire of Cuban-American entrepreneurs to do business in Cuba may push them to accept the military's conditions, or at least to persuade other Cuban-American actors to become more moderate.

Insofar as those conditions are met, the military may agree to political liberalization. And because both Cuban soldiers and Cuban-American business leaders will be politically strong, they each will have the ability to impose, and an interest in accepting, rules of self-restraint. The outcome of negotiations between Cuban soldiers and Cuban-American business groups might not be politically perfect, but it might not be that undemocratic, either. ■