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## FEATURED Q&A

# How Important Are Cuba and the E.U. to Each Other?



Cuban Foreign Minister Bruno Rodríguez and E.U. High Representative for Foreign Affairs Federica Mogherini signed an agreement last month to strengthen ties. // Photo: Cuban Government.

**Q** European Union and Cuban officials on Dec. 12 signed an agreement for deeper bilateral cooperation on issues such as trade, investment and counterterrorism. Before signing the pact, the European Union scrapped its so-called "Common Position" on Cuba, which made stronger ties with Europe contingent on Cuba making changes on issues of human rights and political freedoms. What will be the most fruitful areas for cooperation between the European Union and Cuba, and what benefits will they see from the deal? How important are the European Union and Cuba to each other? Does the new agreement prioritize economic ties over human rights concerns in Cuba, as critics of the deal suggest?

**A** Paul Webster Hare, senior lecturer at the Frederick S. Pardee School of Global Studies at Boston University and former British ambassador to Cuba: "The interesting aspect of the E.U. Common Position of 1996 is that it did not prevent the European Union from becoming the largest trade and investment partner with Cuba in the late 1990s and early 2000s. There were more than 200 joint ventures between E.U. companies and Cuban entities. Then, in March 2003, Cuba jailed 75 members of the peaceful opposition and turned to Venezuela. The European Union's diplomacy contributed to getting the prisoners released by 2010. Now, the conditionality may have gone, but both sides know the past. Cuba offers great opportunities if the economy is opened up to its potential, but the problems of bad payments and foreign investment obstacles persist. Even before this agreement, the French, Spanish and others won contracts, and now the Cubans may be

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## Brazilians Held at U.S. Border Rises 142 Percent in 2016

A total of 3,252 Brazilians were caught illegally crossing the U.S. border in 2016, an average of nine cases per day as Brazil's economy continues to suffer from the worst recession in a century.

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### POLITICAL

## Maduro Names New Cabinet Members

Venezuelan President Nicolás Maduro on Wednesday shook up his cabinet, appointing a controversial former minister of interior as his new vice president. Tareck El Aissami, 43, is now next in line for succession to the embattled Maduro.

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Tareck El Aissami. // File Photo: PSUV.

## POLITICAL NEWS

## Venezuela's Maduro Names New Vice President, Cabinet

Venezuela's President, Nicolás Maduro, on Wednesday shook up his cabinet, appointing a controversial former minister of interior and the governor of Aragua state as his new vice president, The Miami Herald reported. Tareck El Aissami, 43, is now next in line for succession to the embattled Maduro, who faces pressure over a recall referendum and an economy in chaos with the highest inflation in the hemisphere. Media reports, citing U.S. authorities, have suggested that El Aissami has been involved in drug trafficking. Maduro said outgoing Vice President Aristóbulo Istúriz, the country's first black vice president, would be assigned new responsibilities at a later date. Maduro also named Ramón Lobo as his new head of the ministry of economy and finance, and Nelson Martínez as minister of petroleum and mines. The outgoing petroleum minister, Eulogio del Pino, will remain as the head of the state-run oil company, PDVSA. He also appointed his former vice president and former foreign minister, Elías Jaua, as the new minister for education in place of Rodolfo Pérez, El Universal reported. Opposition leader Jesús 'Chúo' Torrealba criticized the appointments for lack of experience in their fields, saying that the new cabinet "could be the worst" to be appointed over the past 17 years of Chavista rule.

## Mexican President Taps Videgaray as Foreign Minister

Mexican President Enrique Peña Nieto on Wednesday named former Finance Minister Luis Videgaray as the country's foreign minister, The Wall Street Journal reported. Videgaray, who senior diplomats have said was instrumental in arranging for U.S. President-elect Donald Trump's visit to Mexico in August, stepped

down from his post the following week after the Peña Nieto administration faced widespread criticism over Trump's visit, Reuters reported. Videgaray did not give a reason for his departure, but the move was largely seen as a response to the backlash following Trump's visit. During his campaign, Trump said he would either renegotiate the North American Free Trade Agreement or pull the United States out of the pact. Trump's signature campaign promise was that he would build a wall along the U.S.-Mexico border and force Mexico to pay for it, as well as deport any unauthorized immigrants living in the United States. Mexican



Videgaray (center) ran President Peña Nieto's election campaign in 2012. // Photo: Government of Mexico.

officials had hoped Trump's visit would result in a more moderate tone from the Republican politician, but hours after his visit, Trump told a crowd of supporters in Arizona that Mexico would pay for the border wall "100 percent." Following Videgaray's resignation in August, Trump tweeted that the former finance minister is a "wonderful man," adding, "With Luis, Mexico and the United States would have made wonderful deals together."

## ECONOMIC NEWS

## Brazilians Detained at U.S. Border Rises 142 Percent in 2016

The number of Brazilians detained trying to immigrate to the United States grew 142 percent in 2016 compared to the year before, Folha de S.Paulo reported Wednesday. According to data from the U.S. Border Patrol, a total of

## NEWS BRIEFS

## Colombian Internet Penetration Rises Sharply

Internet penetration in Colombia rose 23 percent in the third quarter of 2016, according to data from government regulator Mintic, Telecompaper reported today. Fixed and mobile internet connections in Colombia reached 15.1 million at the end of September, driven by the mobile broadband sector, which grew nearly 36 percent year-over-year to reach 9.2 million at the end of the quarter, while the fixed internet sector increased by 7.9 percent to reach 5.8 million.

## Southern Cross Acquires Petrobras Assets in Chile

Brazilian state oil company Petrobras announced Wednesday it had finalized the sale of 100 percent of Petrobras Chile Distribución to Connecticut-based private equity firm Southern Cross Group, a deal announced last July. Cash income from the sale was \$470 million, Petrobras said. Petrobras Chile is a fuel distribution company with 279 filling stations, a lubricant plant, eight distribution terminals and operations at 11 airports. The deal also includes the licensing of the Petrobras and Lubrax brands for a period of eight years.

## Argentine Government Aims to Prioritize Renewable Energy

The Argentine government on Wednesday declared 2017 to be the year of renewable energies, a designation aimed at promoting the use and the awareness of the importance of developing renewable energy sources, Prensa Latina reported, citing Argentina's Official Gazette. The decree states that the search for and development of clean energy sources is now a state policy. The government plans to sponsor seminars, conferences and educational programs that will contribute to the development and use of renewable energies in the country.

3,252 Brazilians were caught illegally crossing the U.S. border in 2016, an average of nine cases per day. Brazil's economy continues to suffer from the worst recession in a century, with an unemployment rate of 11.8 percent affecting almost 12 million people. Migration patterns appear to be shifting as a result of the economic crisis, Agence France-Press reported last month. While previous illegal immigration from Brazil to the United States typically occurred when migrants, generally having some level of education, flew into the country and stayed past their tourist visas, migrants lately have been taking more desperate measures. In December, at least 19 Brazilian migrants were feared drowned off the Bahamas as they tried to cross illegally to the United States, officials in Brasilia said. The group went missing "during a purported crossing by sea from the Bahamas to the United States," a foreign ministry statement said. Consular data suggests the Brazilian community in the United States tops 1.4 million people.

## BUSINESS NEWS

### Bird Flu Detected at Chilean Turkey Farm

Chilean authorities on Wednesday announced they had detected bird flu at a turkey production plant run by poultry producer Agrosuper in the country's central Valparaíso region, Reuters reported. The country's Agriculture and Livestock Service said it plans to cull the affected birds and quarantine the area to prevent the infectious disease from spreading. According to El Mercurio, 350,000 turkeys are expected to be infected with the H7 bird flu in Valparaíso. Different strains of bird flu, which can be spread to poultry by wild birds, have been detected across Asia and in Europe in recent weeks, leading to the slaughtering of millions of birds in South Korea and Japan and several human infections reported in China. The last major outbreak of bird flu in Chile was in 2002, when exports fell to \$44 million from \$69 million the year before, according to the

World Trade Organization. That contagion was brought under control within a year.

### China's Didi Invests in Latin America Ride-share Market

China's Didi Chuxing, the country's largest ride-sharing company, is expanding into Latin America with a major investment in Brazil-based Uber rival 99, CNBC reported Wednesday. Didi will assume a seat on the firm's board of directors and provide guidance in technology, product development and operations as 99 expands across Latin America, the companies said in a joint statement. "China and Brazil are the world's foremost emerging

markets with enormous opportunities for our ride-share industry," Didi CEO Cheng Wei said. Although the value of the investment was undisclosed, a 99 spokesperson said it is in excess of \$100 million, Tech Crunch reported today. Founded in Brazil in 2012, 99 currently claims to cover 550 cities in the country with 140,000 registered drivers and over 10 million app downloads. Uber serves close to 30 cities in Brazil, and is present in a total of twelve countries across Central and South America, according to Tech Crunch. Over the past two years, Didi has acquired a stake in every major ride-sharing app, investing nearly \$500 million to form a ride-share partnership that reaches half the world's population, CNBC reported. Last year, Didi also acquired rival Uber's business in China with the combined new company worth some \$35 billion.

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prepared to award more. However, memories of state expropriations of prominent British and French investments in Cuba will not be forgotten. The new agreement will not prevent individual E.U. countries from raising human rights concerns if there were to be a repeat of the crackdown of 2003. Differences on this persist with the Belgians and others. European Union countries will

Union dominate their agenda. And few E.U. government leaders attended the funeral of Fidel Castro. Looking forward, the agreement allows E.U. development assistance to be applied to Cuba more openly."

**Frank Calzon, executive director of the Center for a Free Cuba:**

"The agreement ignores the increase in the number of political detentions and repression and the Cubans' worsening food shortages, which The New York Times reported result from a couple of million tourists having to be fed. Cuba denies entry to members of the European Parliament as well as political representatives of European nations. The agreement was an effort to bring into line European Cuba policy with Mr. Obama's Cuba policy, but the agreement has yet to be ratified, and there are questions about its implementation. A group of Cuban human rights organizations based on the island and abroad wrote the E.U. high representative for foreign affairs asking that all entities of the European Union condition the ratification and implementation of the agreement to the following: free and full access to information in all forms, including

**“Memories of state expropriations of prominent British and French investments in Cuba will not be forgotten.”**

— Paul Webster Hare

now seek to convince the Cuban government that real economic reforms that would allow a private sector to flourish and interact with foreign companies is what Cuba desperately needs. I doubt that the European Union will collectively devote much attention to Cuba. Immigration, terrorism and the future of the

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## FEATURED Q&amp;A / Continued from page 3

the Internet; ratification by Cuba of the International Covenants on Human Rights; the right of Cubans to enter into joint investment ventures with Europeans or their companies and the right of the enterprises Cubans form to attain legal status and to import or export directly; the end of political repression and violence by the regime against members of the peaceful opposition movement and other Cubans as well as of abuses against Europeans; and the exercise by Cubans of their right to choose a democratic and pluralistic system of government and to hold free elections. For Europe to ignore the plight of the Cuban people is to turn its back on its own history."

**A** **Jorge A. Sanguinety, chairman and senior advisor at DevTech Systems:** "When discussing the 'most fruitful areas for cooperation between the European Union and Cuba' we should wonder in all fairness who the actual beneficiaries could be on the Cuban side. The way the Cuban political economy has developed excludes the fledgling private sector from participating in major decision-making processes on the country's economic affairs. This generates a profound divide between the Cuban government and its population, in which the former controls virtually all internal and external economic relations, while the latter plays a subservient role. The interests of the Cuban people are not well represented by their government. Under these circumstances, the benefits of cooperation between the European Union

and Cuba will mainly accrue to Cuban state enterprises, the most dynamic of which are managed by the Cuban military. The fact that such a divide has been increasing lately, together with an increase in government re-

“**The benefits of cooperation between the European Union and Cuba will mainly accrue to Cuban state enterprises.**”

— Jorge Sanguinety

pression of minor forms of dissent, despite the normalization initiative by the U.S. government, renders inconsistent the European Union's decision to abandon the 'Common Position' held until recently. The new terms of cooperation should include strict terms of conditionality, combining human rights with the economy, by demanding from the Cuban government more tolerance of internal dissent with more economic freedoms for the private sector. Without such concessions, the new terms of cooperation will only strengthen the central powers of the Cuban government to the detriment of the welfare of the population."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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