

## Cuba's Tourism, the Embargo, and the Environment

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Cuba's coral reefs are well known for possessing some of the best places in the world for diving. Off the coast of *Jardines de la Reina*, one can find plenty of biodiversity in pristine condition.<sup>1</sup> Since the Cuban Revolution, the government (in spite of economic constraints) has successfully implemented progressive ecological policies that, along with the isolating effects of the embargo, have so far protected its ecosystems—perhaps more effectively than any other Latin American nation. The recent boom in tourism (Cuba's largest industry) promises to become exponential should the United States remove its economic and travel embargo on Cuba.<sup>2</sup> This sudden and extreme growth in tourism may jeopardize Cuba's natural heritage. Experts fear that Cuba may face severe environmental degradation and see its coral reefs eventually disappear if it does not take further environmental precautions. If and when the United States removes its embargo, Cuba will likely receive an avalanche of U.S. tourists, corporations, and cash, which could quickly destroy much of its currently healthy coral reefs.

Although the increase in tourism may result in negative environmental consequences, this would not be reason to halt the normalization of U.S. relations with Cuba. As the Council on Hemispheric Affairs (COHA) has found, the embargo is problematic for a variety of reasons.<sup>3</sup> This article is therefore not meant to criticize the phasing back of the embargo, but rather to argue that the process must include the proactive implementation of strong environmental legislation. If such legislation is achieved, removing the trade embargo will allow Cuba more autonomy and the agency to better enforce its environmental protection measures.

### A Rich and Fragile Natural Heritage

Cuba is extremely rich in biodiversity. In addition to its forests and terrestrial wildlife, there are two specific threatened ecosystems worth discussing. The coral reefs are very important to tourism and could face much higher traffic in the next few years due to its increase. This increase could easily lead to the ecosystem's destruction from the sheer number of people touching and stepping on the various delicate parts of the reef.<sup>4</sup> However, another lesser-known and equally important ecosystem is Cuba's mangroves. Unsustainable tourism industry development has already destroyed around 10,000 acres of mangroves, ecosystems that are extremely rare and

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<sup>1</sup> Erica Goode, "Cuba's Crown Jewel", *New York Times*, July 14, 2015.

<sup>2</sup> Marc Franc, "Cuba Allows Tourism Industry to Hire Private Contractors," *Reuters*, October 9, 2013.

<sup>3</sup> See COHA article by Peter Bolton on human rights and the embargo:

Peter Bolton, "The Backlash to U.S.-Cuba Normalization and the Misuse of Human Rights", *The Council on Hemispheric Affairs*, April 22, 2016, Accessed May 26, 2016, <http://www.coha.org/the-backlash-to-u-s-cuba-normalization-and-the-misuse-of-human-rights/>

<sup>4</sup> Goode, "Cuba's Crown Jewel".

valuable for their role in coastal protection from pollution and soil salinization.<sup>5</sup>

## Environmental Regulation of Tourism in Cuba

One way the Cuban government has attempted to combat these issues while developing its tourism industry is through ecotourism in wildlife refuges. This trend began in the early 1990's in projects such as the reserve in the *Sierra del Rosario*, just west of Havana.<sup>6</sup> This site had been exploited and destroyed over the past 200 years by coffee plantations, overgrazing, and deforestation before it was converted into a social project, re-forested, and later used very successfully for ecotourism.<sup>7</sup> Unfortunately, Cuba has also had much less successful attempts at ecotourism. Particularly problematic has been its 'nature tourism' which, rather than focusing on principles of sustainability, tends to only focus on tourists' enjoyment of nature or Cuba's rural cultures.<sup>8</sup> This form of 'passive' tourism may not appear worse than any other form, but its façade of sustainability is quite misleading to customers who wish to engage in responsible tourism.

Furthermore, taking a large number of people into wildlife refuges can be very detrimental to the local ecosystems. In sites that are strictly controlled by the government, ecotourism can be much less destructive to the environment; but regrettably, many sites are protected only nominally and are vulnerable to exploitation because the government pays little attention to enforcement.<sup>9</sup> As Cuba proceeds in developing its tourism industry, expansion of ecotourism could potentially be a sustainable option, but first, the government will need to step up its regulation of its environmental practices. As outlined by Anthony Winson of the University of Guelph, "it would be highly beneficial then, if more natural areas were brought under the protected area regime now set up, and if a set of real sanctions were in place to punish those organisations and individuals who despoil the environment."<sup>10</sup>

## Foreign Investment and United States Embargo

Ecotourism is thus one important option to consider as Cuba's tourism industry takes off. Part of the reason for the recent increase in tourism may relate to new laws in Cuba that will potentially affect business and tourism. Foreign direct investment (FDI) is already beginning to flow more heavily, as Cuba passed steeper tax cut measures in an attempt to encourage FDI in March of 2014.<sup>11</sup> This foreign investment incentive, meant to spur development in Cuba, seeks new opportunities for Cuba in healthcare, tourism, transportation, construction, agriculture, and renewable energy.<sup>12</sup> Although the tax cuts include clauses to warn against environmental

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<sup>5</sup> Eudel Eduardo Cepero, "Environmental Concerns for a Cuba in Transition", *University of Miami*, 2004, Accessed May 27, 2016, [http://ctp.iccas.miami.edu/Research\\_Studies/ECepero.pdf](http://ctp.iccas.miami.edu/Research_Studies/ECepero.pdf), 8-9

<sup>6</sup> Anthony Winson, "Ecotourism and Sustainability in Cuba: Does Socialism Make a Difference?" *Journal of Sustainable Tourism* 14 no. 1 (2006): 15.

<sup>7</sup> *Ibid*, 15.

<sup>8</sup> *Ibid*, 17.

<sup>9</sup> *Ibid*, 20; Erica Goode, "Cubans Worry Closer U.S. Ties Imperil Habitats", *The New York Times*, July 3, 2015.

<sup>10</sup> Winson, "Ecotourism and Sustainability", 20

<sup>11</sup> Daniel Trotta, "Cuba Approves Law Aimed at Attracting Foreign Investment", *Reuters*, March 29, 2014, Accessed May 27, 2016, <http://www.reuters.com/article/us-cuba-investment-idUSBREA2SOEJ20140329>.

<sup>12</sup> Jaime Hamre, "Cuba seeks \$8.2 billion in foreign investment for 326 projects", *Reuters*, November 3, 2015, Accessed May 27, 2016, <http://www.reuters.com/article/cuba-trade-idUSL1N12Y3HK20151104>

damage, the tourism industry is a quickly growing sector partially funded by FDI, begging the question of how new infrastructure for tourism can be developed without degrading the environment.<sup>13</sup>

The other reason for an expected further increase in tourism is because of the opening up of commercial relations between the United States and Cuba. Only Congress can lift the 1996 Helms-Burton Act, which codified the U.S.-imposed embargo on Cuba that began half a century ago; but some policy changes have taken place in the past few years.<sup>14</sup> Currently, most of the travel restrictions on U.S. citizens remain, although many speculate that this condition will not last for long. Citizens are not allowed to travel to Cuba except under 12 authorized categories, which include family visits, journalism, research, educational or religious activities (including people-to-people trips), performances and competitions, and humanitarian projects.<sup>15</sup> While previously limited, it is now possible to purchase commercial airplane and ferry tickets directly from the United States to Cuba, and visitors are free to spend as much money as they like on the island.<sup>16</sup> Commercial air carriers and vessels do not need to obtain special licenses from the Office of Foreign Assets Control (OFAC) to provide these travel services.<sup>17</sup>

Options for U.S. business interests remain more limited; the U.S. Department of the Treasury states that, “persons subject to U.S. jurisdiction are prohibited from doing business or investing in Cuba unless licensed by OFAC.”<sup>18</sup> However, in January 2015, the government eased some business restrictions; for example, allowing U.S. companies to sell to Cuba’s state-run companies.<sup>19</sup> Furthermore, U.S. businesses can now also invest in small private entrepreneurs in Cuba.<sup>20</sup> On the whole, although it is a slow process, it is clear that relations between the United States and Cuba are thawing.

## **Tourism and Business Prospects**

Although the United States has barely begun to test the waters of tourism in the country, Cuba is already overwhelmed with international tourists. Many of these tourists want to see Cuba before it becomes more Americanized, a phenomenon they believe will occur once U.S. business and

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<sup>13</sup> Raul J. Valdés-Fauli. “What Does the New Cuban Foreign Investment Act Mean?” *Fox Rothschild LLP*, August 2014. Accessed May 27, 2016,

[http://www.foxrothschild.com/content/uploads/2015/05/NL\\_Cuba\\_Aug2014\\_v18.pdf](http://www.foxrothschild.com/content/uploads/2015/05/NL_Cuba_Aug2014_v18.pdf).

<sup>14</sup> “Helms-Burton Act: Resurrecting the Iron Curtain”, *The Council on Hemispheric Affairs*, June 10, 2011, Accessed May 27, 2016, <http://www.coha.org/helms-burton-act-resurrecting-the-iron-curtain/>

<sup>15</sup> “Frequently Asked Questions Related to Cuba”, *U.S. Department of the Treasury*, Last Updated April 21, 2016, Accessed May 27, 2016, [https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba\\_faqs\\_new.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_faqs_new.pdf), 2

<sup>16</sup> *Ibid*, 8.

<sup>17</sup> *Ibid*, 9.

<sup>18</sup> *Ibid*, 16.

<sup>19</sup> Alan Gomez, “U.S. Approves More Business Trade With Cuba”, *USA Today*, January 26, 2016, Accessed May 27, 2016, [www.usatoday.com/story/money/business/2016/01/26/cuba-us-ease-trade-restrictions-sales-to-government/79337896/](http://www.usatoday.com/story/money/business/2016/01/26/cuba-us-ease-trade-restrictions-sales-to-government/79337896/)

<sup>20</sup> Nora Gámez Torres, “Cuba Investments Are a High Risk for U.S. Companies, New Report Says”, *Miami Herald*, June 22, 2015, Accessed May 27, 2016, <http://www.miamiherald.com/news/nation-world/world/americas/cuba/article25183966.html>

culture gains more access to it.<sup>21</sup> In a *Washington Report on the Hemisphere* issue from April 18, COHA Research Associate Seohyeon Yang found that foreign investors as well as cruise and tourism companies from the United States are eagerly awaiting their lucrative chance.<sup>22</sup> Stubborn Mule Travel agency founder, Liddy Pleasants, explains, “there’s a real feeling that everyone wants to get there before it changes too much,” in terms of both U.S. tourists and imported goods.<sup>23</sup> Thus, as of last year, travel agencies recommend that tourists reserve their hotels eight to 10 months in advance of their trip due to the extreme shortage of accommodations.<sup>24</sup> This shortage demonstrates the recent growth in Cuba’s tourism industry, which is already strong despite the fact that tourism from the United States is still so limited. It is apparent that as travel and business restrictions from the United States loosen, Cuba will only continue to be more and more flooded with tourists, and it is unclear how well current Cuban environmental laws will be able to regulate this new demand for the use of its environment.

Particularly concerning for Cuba is the way that U.S. tourism corporations have been gathering at the sidelines ready to pounce on the nation. For example, executive director of Norwegian Cruise Line Holdings, Frank Del Rio, told *The New York Times* last July, “I just can’t stop thinking about it, [...] Cuba and the cruise industry are just a match made in heaven, waiting to happen.”<sup>25</sup> This enthusiasm worries many environmental experts, who believe that the sheer amount of money Cuba will be suddenly exposed to (once business restrictions from the United States are terminated) will result in new challenges to their environmental laws that have not been faced before. “The tourism impact has really been minimal in Cuba, but that’s going to change. When you go from 2 million tourists a year to 4 to 6 to 8, everything will change,” declares University of Miami’s marine conservationist Fernando Bretos.<sup>26</sup>

## Environmental Law in Cuba

Thus far, Cuba’s environmental record has been somewhat promising, but there have been concerns about Cuba’s ability to implement its environmental policy. As explained in an earlier section, the results of ecotourism have been mixed. Similarly, a 2009 COHA article concluded that much of Cuba’s recent environmental policy has “only succeeded in aiding the state in squandering resources” while failing to prevent environmental degradation in many areas.<sup>27</sup> However, despite these challenges, Cuba’s intention to work towards preserving its environment is clear. Since long before the 1997 implementation of Cuba’s framework Law of the Environment, Fidel Castro has strongly supported environmental consciousness. In 1992, he stated in an Earth Summit speech, “an important biological species—humankind—is at risk of

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<sup>21</sup> Tyler Wetherall, “Cuba Sees Record Bookings as Tourists Rush to See It Before It Changes”, *The Guardian*, October 30, 2015, Accessed May 25, 2016, <http://www.theguardian.com/travel/2015/oct/30/travel-to-cuba-increases-us-trade-embargo>

<sup>22</sup> Seohyeon Yang, “Tourism in Cuba: The Underlying Racism,” *Washington Report on the Hemisphere* 36, no. 4 (April 18, 2016): 1-5

See also for the Spanish version online: <http://www.coha.org/turismo-en-cuba-su-racismo-subyacente/>

<sup>23</sup> Weatherall, “Cuba Sees Record Bookings”.

<sup>24</sup> Ibid.

<sup>25</sup> Goode, “Cubans Worry Closer U.S. Ties”

<sup>26</sup> “Cuba: The Accidental Eden: A Brief Environmental History”, *PBS*, April 7, 2011, Accessed May 2, 2016, <http://www.pbs.org/wnet/nature/cuba-the-accidental-eden-a-brief-environmental-history/5830/>.

<sup>27</sup> “The U.S. and Cuba: Destined to be an Environmental Duo?” *The Council on Hemispheric Affairs*, June 12, 2009, Accessed May 25, 2016, <http://www.coha.org/the-us-and-cuba-an-environmental-duo/>

disappearing due to the rapid and progressive elimination of its natural habitat.”<sup>28</sup> Cuba has made attempts to preserve its environment even if these were not always successful.<sup>29</sup> Cuba has emphasized environmental education to create environmentally conscious citizens, and has even incorporated “sustainable development” and “polluter pays” concepts into its foreign investment policy.<sup>30</sup> The 2009 COHA article argues that Cuba’s government supports the value of environmental initiatives, and it has shown its willingness to contribute to this by signing international initiatives such as the Kyoto Protocol.<sup>31</sup>

Most encouragingly, Cuba has begun to enter into joint environmental agreements with the United States. Given its current relatively pristine conditions, the biggest fear today is that the complete opening of the embargo will result in exploitation of the island’s natural heritage posed by the increase in tourism. However, the United States and Cuba both seem, to some extent, to have foreseen this danger and have taken measures to prevent it. On November 18, 2015, the United States and Cuba formed an agreement aiming to protect coastal ecosystems.<sup>32</sup> This agreement created sister marine sanctuary relationships between Guanahacabibes and Banco de San Antonio in Cuba, and the Florida Keys and Flower Garden Banks national marine sanctuaries in the United States, emphasizing the continuity of the ecosystem between the small patch of ocean (90 miles) separating Florida and Cuba.<sup>33</sup> Subsequently on November 24, 2015, both countries signed a joint statement on environmental protection with topics including protecting biodiversity and coasts, and addressing climate change, natural disasters, and marine pollution.<sup>34</sup> The U.S. Department of Agriculture has also established new measures for collaboration in research and exchange of information between the United States and Cuba on concerns related to agriculture and climate.<sup>35</sup>

These measures suggest the possibility for cooperation between the two countries for the good of the environment even though it is often argued that U.S. business interests are the main force driving the normalization process. However, the joint statement has not created any new concrete protections for Cuba’s environment, but is instead supposed to “facilitate and guide” cooperation regarding a variety of issues as listed above.<sup>36</sup> Similarly, the sister sanctuary agreement does not create any new environmental sanctuaries in either country, but rather aims

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<sup>28</sup> “Fidel Castro at Earth Summit: Tomorrow Will Be Too Late”, *Green Left Weekly*, June 24, 1992, Accessed May 26, 2016, <https://www.greenleft.org.au/node/3551>.

<sup>29</sup> Evenson, “A Deeper Shade of Green”, 1-2, 16-18.

<sup>30</sup> *Ibid*, 14-16; 29.

<sup>31</sup> “The U.S. and Cuba: Destined to be an Environmental Duo?”

<sup>32</sup> Agencia EFE, “EE.UU. y Cuba Fortalecen Su Cooperación Para Proteger el Medio Ambiente”, *El Nuevo Herald*, November 24, 2015, Accessed May 25, 2016, <http://www.elnuevoherald.com/noticias/mundo/america-latina/cuba-es/article46309755.html>

<sup>33</sup> “U.S. and Cuba to Cooperate on Sister Sanctuaries”, *National Marine Sanctuaries*, last revised November 19, 2015, Accessed May 26, 2016, <http://sanctuaries.noaa.gov/news/nov15/us-and-cuba-to-cooperate-on-sister-sanctuaries.html>.

<sup>34</sup> “Agriculture Secretary Vilsack Announces Historic Agreements for U.S.-Cuba Agriculture Sector” *United States Department of Agriculture*, March 21, 2016, Accessed May 25, 2016, <http://www.usda.gov/wps/portal/usda/usdahome?contentid=2016/03/0069.xml>

<sup>35</sup> *Ibid*.

<sup>36</sup> Andrea Korte, “Diplomacy With Cuba Sees New Scientific Partnerships”, *American Association for the Advancement of Science*, December 10, 2015, Accessed May 26, 2016, <http://www.aaas.org/news/diplomacy-cuba-sees-new-scientific-partnerships>.

to further opportunities for collaborative research.<sup>37</sup> Thus, it remains to be seen the extent to which United States and Cuba will be able to cooperate to create real change in protective environmental policy.

## **Conclusion**

On May 2, the first cruise ship from the United States in half a century docked in Havana.<sup>38</sup> This cruise was an educational people-to-people trip, but the ship belonged to the U.S. cruise company Carnival Corp., demonstrating that big U.S. corporations are already beginning to take advantage of the new opportunities in Cuba. It seems that growth in commercial tourism on the island is all but inevitable with the normalization of relations. However, this is not to imply that the U.S. should halt the process of normalization. Rather, at the moment, the threat of exploitation is best addressed through new legislation to protect the environment. In considering this new legislation, both continued effort towards collaborative environmental policies between the United States and Cuba, and an emphasis on new policies that Cuba can implement itself as a precaution—such as increasing opportunities for ecotourism with proper government oversight—will be important. The agreements between the United States and Cuba appear to be an important start to Cuba's preparation for the avalanche of U.S. business interests. Due to the dubiousness of the United States' environmental record, however, it would be wise for Cuba to strengthen and expand its own protective environmental framework in addition to implementing these bilateral environmental agreements.

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<sup>37</sup> "U.S., Cuba Sign First Environmental Accord Since Thaw", *WUSF News*, November 19, 2015, Accessed May 26, 2016, <http://wusfnews.wusf.usf.edu/post/us-cuba-sign-first-environmental-accord-thaw#stream/0>.

<sup>38</sup> Mimi Whitefield, "Cruise Ship From Miami Arrives in Havana for Historic Trip to Cuba", *The Miami Herald*, May 2, 2016, Accessed May 26, 2016, <http://www.miamiherald.com/news/nation-world/world/americas/cuba/article75096132.html>