OPINION

Trade Will Lead to Freedom

The U.S. economic embargo has failed to bring about any positive political change in Cuba. It’s time to try something new.

By DOUGLAS A. IRWIN
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President Obama’s announcement that he wants to restore diplomatic relations between the U.S. and Cuba immediately brings up the U.S. trade embargo of that country. Mr. Obama and the new Republican Congress now have a historic opportunity to lift the embargo. The trade ban has been in effect for more than 50 years. It has been a complete failure to promote any positive change in the country. Instead, it has strengthened the Castros’ grip on the country by giving them a ready-made excuse for their disastrous economic policies.

Restoring trade ties and expanding commerce would revolutionize the Cuban economy and transform Cuban society. It would spur the growth of a business class, creating competing pockets of power and new, wealthy groups that would challenge the ruling Communist Party. It would give Cuban citizens access to more information, and information about the outside world destabilizes any repressive regime. What would happen if every Cuban citizen had access to a smartphone, could organize protests via Twitter, and spread the word about government outrages?

Many say that any potential lift to Cuba’s economy brought about by the resumption of trade would only solidify the regime. Yet the Castro brothers’ dictatorship has been a fixture for two or three generations. Time to try something new?

Trade will unleash winds of change that will upset the status quo. As Ronald Reagan understood, there is nothing more unsettling to repressive regimes than allowing the exchange of goods and people, ideas and information, to flow freely between countries. Commerce is a conduit for this exchange and can upend the balance of power in closed societies.
Open trade helped move Mexico, Chile, Taiwan and Korea from repressive regimes or one-party states to more competitive political systems. While it has failed to do so in China, at least so far, there is no doubt that China’s leaders are now “communist” in name only. China’s society and local politics are much more open today than in the days of Maoist autarky and centralized planning.

In any event, the Castro brothers will pass from the scene soon enough. The United States should be on the ground in Cuba to influence the course of future events. With trade, the U.S. has something to take away from Cuba. With the embargo, Washington has no leverage over developments there.

Increased trade would expose more Cubans to the U.S. and what it stands for. Early in his presidency, George W. Bush said that “trade creates the habits of freedom,” and these habits “begin to create the expectations of democracy and demands for better democratic institutions.” Mr. Bush added that societies “open to commerce across their borders are more open to democracy within their borders. And for those of us who care about values and believe in values—not just American values, but universal values that promote human dignity—trade is a good way to do that.”

Apart from promoting progress in Cuba, restoring trade ties would benefit the U.S. economy as well. American farmers, already helped by a partial lifting of the embargo for agricultural goods, would have access to a new export market. Despite heavy regulation and strict limitations, U.S. exports of agricultural goods to Cuba grew to $457 million in 2010 from $4 million in 2001. Groups ranging from the American Farm Bureau Federation to the U.S. Chamber of Commerce strongly support a lifting of the embargo because they see Cuba as a significant export market.

The only domestic interest group that should fear expanded trade with Cuba are
America's sugar cane growers in Florida and sugar beet farmers in the upper Midwest. They deserve no sympathy. By demanding strict import quotas that make the U.S. price of sugar roughly double the world price, sugar interests have pillaged consumers and destroyed jobs in America's candy and confectionary industry for far too long.

Mr. Obama has never been an enthusiast for international trade. As a senator, he voted against the Central American Free Trade Agreement in 2005. His administration dragged its feet in submitting the Colombia and Korea free-trade agreements for approval. But working with the new Republican Congress, the president has a historic opportunity to do better, for the people of Cuba and for America.

Mr. Irwin is professor of economics at Dartmouth College and author of “Free Trade under Fire” (Princeton, 2009).