

# Silicon Valley aims for Cuba, but treads carefully

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If Horacio Nunez grew up in the United States instead of Cuba, the 26-year-old software engineer might have spent hours of his youth surfing the Web. But he had no Internet connection to his Havana home, so he learned how to code under conditions most of his Bay Area programmer peers are too young to remember.

"Internet in Cuba is like the Internet you had when Netscape was battling Internet Explorer," said Nunez, referring to the slow dial-up era of the 1990s. "You can't use Skype. There's no cloud. I used to carry a hard drive with all the books I could find."

That could change quickly as Silicon Valley's tech giants and startup entrepreneurs set their sights on the island's Internet-hungry populace amid a historic thaw in U.S.-Cuba relations and the easing of trade restrictions. Cuba entices the tech community in ways that transcend the buying power of its residents, fitting into a larger social vision for building bridges and bringing life-changing technology to the world's most isolated corners.

Facebook CEO Mark Zuckerberg told a Latin American summit recently that expanding to Cuba "definitely fits within our mission." His company - already a popular social network for the islanders who can get it - also hosted a private Code for Cuba hackathon at its headquarters attended by Nunez and several dozen other programmers late last month.

"Cuba is a huge, huge market," said Nunez, who graduated from Cuba's

computer science university and now works for a San Francisco startup. "They have 11 million people and they are crazy about iPhones, even though they don't have connections to the Internet."

Google Chairman Eric Schmidt visited the island last summer and called for an end to the embargo and to "empower the citizens with smartphones." A second visit by Google Ideas, the company's global policy wing, followed several weeks ago, though it was met with Cuban suspicion because the group's director is a former U.S. State Department official.

Airbnb and Netflix have already begun doing business on the island after President Barack Obama announced in December he was relaxing some trade restrictions. Apple has also said that it can now sell some consumer products to Cubans but declined to say which devices.

"Will Silicon Valley companies play a role in communication in Cuba? Definitely," said U.S. Rep. Anna Eshoo, D-Calif., who joined a congressional delegation to the island in March. "Are the Cubans prepared right now to leapfrog into the 21st century? No, they're not."

Telecommunications companies are likely to be the first to make a significant mark on Cuba, Eshoo said. Although completely lifting the 1962 embargo banning U.S. business in Cuba requires congressional approval, Eshoo said many of the restrictions Obama eliminated pave the way for telecom companies that want to build and expand high-speed infrastructure.

Only 16 percent of Cubans report having Internet access, and most get it through government-controlled Internet cafes or at work or school, according to a recent poll for news outlets Univision and Fusion.

Better networks could someday be developed by legacy companies such

as AT&T, which in the 1920s built an undersea cable to Cuba that fell into disrepair after the revolution, or from the Internet-carrying drones, satellites and balloons imagined by Facebook and Google. That's if China's fast-growing tech companies don't get there first.

So far, only one American wireless carrier, New Jersey-based IDT, is known to have brokered a deal with Cuban officials to do business on the island.

Silicon Valley hardly existed when rebels took over Cuba in 1959, so the valley's companies don't have the complicated history of older American firms that once dominated the island's economy and became a target of nationalization. But that clean slate might not help much if Cuban authorities view unrestricted search engines and social networks as tools for regime change.

"Even when you're not trying to be a Trojan horse, the Cuban government often gets mileage out of perceiving and painting you as a Trojan horse," said Ted Henken, a professor at Baruch College in New York.

Cuba is likely to welcome U.S. tech investment, but it might adopt the Chinese model of monitoring access, Henken said.

Programmers with a different vision gathered April 25-26 at Facebook's campus for a hackathon organized by Miami-based human rights group Roots of Hope. Executives from Facebook, Salesforce and other firms judged the competition, awarding the \$3,000 top prize to the developers of an email-based news feed that will help Cubans skirt government censors.

"We're looking at this from the perspective of promoting a free and open Internet," said Ramses Martinez, one of the judges and Yahoo's director

of online security.

Martinez, like many of the Cuban-American participants, felt a personal connection to the group's mission. Staunch anti-Communists, his family had sought to flee the island since the revolution. They finally got their chance during the Mariel boatlift in 1980, when Martinez, then 9 years old, was among thousands allowed to escape.

"It's a very positive step," he said of Obama's policy shift. "Anything that starts to heal the wounds of 60 years of exile and families being broken up, and that helps the Cuban people in having a better economic situation and political situation, I'm glad to see."

But neither Martinez nor any of the other participants was willing to share details of what they developed at the hackathon, a sign that Silicon Valley will likely tread carefully as it tries to set a tech foothold on the island.

"When a government and a culture opens itself to you, you have to be very respectful, very careful in the way you introduce yourself," said Sabeen Ali, co-founder of Angelhack and another hackathon judge. "We have to take it very, very slow."

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