

Canada, Latin America and the Caribbean: What Sort of Amigo are We?

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I am recently back from the Ukraine and still full of wonder about an election that was patently and skilfully stolen – and by an unexpected public reaction that is changing and perhaps fracturing the political landscape.

The Ukraine was not the topic advertised for this afternoon. So I will not talk about the Ukraine – except to make a point. We have a large Ukrainian population in Canada and as members of the Western alliance we are concerned about political freedom, human rights and strategic issues that are all at play. We have a good embassy, a good ambassador. Our government has energetically repudiated the fraud. More recently it may be threatening to compromise the credibility of the observer mission by sending in large numbers of unscreened and untrained monitors. However, the Canadian voice, added to many others, has helped to encourage and sustain a surprising, extraordinarily well-organized and restrained popular resistance.

But we should be under no illusion that we are regarded as a major player in the events unfolding in the Ukraine. Which is why we should be thinking more seriously about those parts of the world where we still have the potential to be a major player.

One of the problems that you will recognize with this address is that I agreed, with customary naiveté, to cover a lot of territory. Neither Latin America nor the Caribbean are remotely homogeneous regions and most of your speakers sensibly deal with one country. So I hope you will be tolerant if I miss some countries while buzzing erratically around the others.

In any event, I am grateful for the opportunity to light a small lamp in an area we hear too little about. There are, of course, stories about Castro, Chavez, Fox or Aristide and reports of disasters. But we should be hearing more about the wider and deeper Caribbean and Latin America because they are now increasingly our neighbourhood and its future.

My plan is to examine some of the major challenges and opportunities – and to look at the recent record of Canadian response. I will also venture to make some suggestions about how that response might be improved.

Which brings me to the story about a tenant farmer on a large Jamaican plantation. Some years ago it happened that the owner's prize thoroughbred mare broke out of its corral and became mired in a swamp. Panicking the mare only sank more deeply into the bog. Alerted by the animal's frantic noises, the farmer lassoed the mare, pulled her free with his oxen and returned her to the owner's stable.

The owner, in his gratitude, instructed his steward to deliver a bottle of whiskey to the farmer. Some weeks later the owner spotted the farmer working in the fields. "Well" said the owner "and what did you think of my whiskey?"

"It was OK chief" said the farmer.

"What do you mean OK?" insisted the owner.

"Well, if it were any better you wouldn't have given it me and it were any worse I couldn't drink it. It was OK".

If the quality of the whiskey is a metaphor for Canadian foreign policy then "OK" is probably being charitable – but I am getting ahead of myself.

Fifteen years ago, and after half a century of dithering, the decision was made by Prime Minister Mulroney and his cabinet to give a new focus to Canadian foreign policy – to join the hemisphere politically and become a member of the Organization of American States. The judgment about the value of the OAS to Canada and also about assigning increased priority to Latin America and the Caribbean was made in the face of some domestic skepticism. The general perception of the OAS was somewhere between somnolence and irrelevance. This was not helped by a view that Canada should have more sense than to sign up with a tropical version of the Warsaw Pact. At that time people remembered the 1965 intervention in the Dominican Republic and other unilateral US actions that had been rubberstamped by the OAS.

However by 1989 the landscape had changed and the timing was good. Canada's romance with the OAS could not be described as a torrid affair. After all those years of courtship, missed and rejected signals, Canada finally accepted the hand that was offered. It is true that a full view of the lady in question had been obscured from Canadian eyes by the intervening bulk of the United States. The cold war had been defining our map of the world and, of course, that map included Cuba and Nicaragua. But with a few exceptions, we tended to look no further South than the United States.

With the end of the cold war our vision South was improving. And what had become visible was a dramatic transformation from military dictatorships (of both right and left) to constitutional democracies. This new image was key to new thinking. So was the realization that the Warsaw Pact caricature was no longer valid. The view in 1989 was that Washington could no longer bend two thirds of the member states to its will. If this thesis was correct then, it was dramatically underscored two years ago when only 7 members of the 34 member OAS joined the "Coalition of the Willing".

If this thinking largely explains why the Mulroney government decided to join, what did our new sister nations think of what the historian Jack Ogelsby has called "the Gringos of the Far North"? The Americans wanted us because we would help pay the bills – and they anticipated our support on a range of policy and administrative issues. Many of the Latin Americans wanted us as a counterweight to the Americans – and the English Speaking Caribbean wanted us a counterweight to the Latin Americans.

The expectations that we would perform as a counterweight to the United States were, of course, unrealistic. We were also joining at a time when the United States, under Bush papa, was approaching the region with the most enlightened US/Latin American policies in 200 years.

Canada joined with gusto and took its new responsibilities seriously. Joe Clark was the minister. A strong ambassador (Jean Paul Hubert) was dispatched to the OAS. Canada's first initiative, very soon after joining, was to propose that the OAS revitalize its priorities and launch itself institutionally into the area of governance and democratic consolidation – an unthinkable proposition only a few years before. With some grouching from countries concerned about interventionist policies, the proposal was accepted and the Unit for the Promotion of Democracy was formed (into which I was parachuted with the promise of one million dollars for the Unit – but not the cash, which was a long time coming.)

The following year saw Canada joining others in vigorous advocacy of a policy change. The plan –and it was successful– was to confer on the OAS means of leveraging states back into constitutional democracy. The design was a deterrent against coup d'etats.

For almost fifteen years we have been a major player in inter-American affairs. Especially in those early years, Canada and a handful of other states were the architects of policies designed to defend democracy in a region where the high walls of sovereignty had long sheltered illegal and dictatorial governments from censure.

Despite a languid, cigar and siesta image, the OAS also deserves much credit for these changes. No regional organization outside Western Europe has struck out so boldly for the values of democratic governance. The OAS, with Canada's active participation has created a fabric of rules and jurisprudence that has helped to insulate member countries from the perils and temptations of military coups.

Since 1991, with the expulsion of President Aristide in Haiti by General Cedras, there have been no successful military coups in the hemisphere. That is an achievement. However, it is not an achievement that has been reinforced in all countries by maturing democratic cultures nor by growing confidence by electorates in the benefits of the classic Western democratic system. Expectations may have been oversold in the eighties when regional political leaders, with strong support from the United States, were proselytizing for democracy. They were doing so on the basis of the formula that freedom of political choice would lead to accountability, which in turn would generate a reasonable distribution of prosperity, respect for the law and above all would produce fundamental improvements in the quality of life for the majority at the base of the social pyramid. By the turn of the millennium, it was clear that this equation was not working.

While the GDP across the region is averaging a strong almost 5% this year, and regulatory mechanisms are working more effectively, and while statistics indicated that generally the poor were less poor, economic progress was distressingly uneven. The

minimal gains in income by the poor are still eclipsed by the visibly widening gap between wealthy elites and impoverished majorities.

A recent United Nations Human Development Report focused on the dilemmas of "Deepening Democracy". It painted a sombre picture, contrasting the bright hopes of the democratic surge of the 70s and 80s with the present landscape. The report notes that "economically, politically and technologically, the world has never seemed more free – or more unjust" – to which they add the depressing remark that "many newly democratic regimes in Latin America seem no better equipped to tackle the region's poverty and inequality than their authoritarian predecessors".

2004 has been a generally good year, but this view is echoed by the Inter-American Development Bank. The Bank has written that equity distortions are more unbalanced in Latin America than in any other region in the world. Political entrenchment by elites, resistance to effective taxation and inadequate expenditures on health and education combine to lower the confidence of both the poor and the middle class in the democratic system. Inevitably the resulting frustration often leads to sympathy for populist or semi-authoritarian solutions. The most recent figures of the well-respected polling organization, Latinobarómetro, based in Santiago Chile, do not signal the return of dictatorship, but are a little disquieting. The numbers for 18 Latin American countries show that support for the democratic process has fallen from 61% in 1996 to 53% in 2004. Surveys in the area highlight a number of related trends including: general contempt for political parties, rising frustration about corruption, and unease about privatization as a neo-liberal remedy.

Compounding the equity failure have been increasing problems of pollution, urban squalor, disease, and crime. The steady growth of crime, particularly violent crime, is not, of course, exclusively a Latin American phenomenon. It is the major threat to stability and the success of the democratic culture in a number of countries in the Commonwealth Caribbean. The most pernicious case is Jamaica. Gangs, better funded and better armed than the Jamaican Constabulary and the Jamaican Defense Force, are entrenched in what they call 'garrisons', which are no-go zones, in downtown Kingston and in other urban areas. Established originally 30 years ago as CIA supported political enforcement 'rent-a-mobs' for Eddie Seaga and his People's National Party, they provoked the creation of reciprocal armed gangs in support of Michael Manley and his Jamaican Labour Party. A loose, patronage linked, loyalty to the political parties has been long overtaken by the profits of the narcotics trade. Jamaica, like Haiti, is a well-trodden stepping-stone from Colombia to North America.

Sadly Guyana is showing signs of drifting down this same path. Concerned about precipitating racial bloodshed by deploying the police to extinguish embryonic black gangs in Georgetown, the Indo-centric Peoples Progressive Party Government equivocated. The gangs have consolidated and now threaten governance in Guyana. Some of the small island states of the Eastern Caribbean, with miniature, poorly paid constabularies are particularly vulnerable to organized crime.

In Central America the civil war death rates of the 80s are being exceeded by the crime related death rates of the present. This is acutely true of El Salvador, but the problem is mirrored in Honduras and Guatemala.

This is a region wide problem for which there is no visible short-term solution. And it has another corrosive spin-off. In urban settings where the quality of life is eroding through neglect and criminal violence, tolerance for the abuse of human rights is often seen as an acceptable trade-off for more unrestricted police control.

"The urbanization of poverty" is a relatively new term that has been coined for Latin America and the Caribbean. It is the world's most urbanized region. 380 million live in cities and approx 127 million in rural areas. The equity crisis is most visible in the cities. Informal settlement is increasing in many urban areas. In Lima over 40% of the city's population live in illegal housing. The figure for Quito is 50%, in Maracaibo it is 48% – Recife the same. And where the slums enlarge, so does the incidence of crime, pollution and the vulnerability to disease.

But there is a caveat – and that is that this chapter is not wholly grim. The UN Commission for Latin America and the Caribbean estimates that in the Caribbean between 60 and 80 % of the population own their own homes. Striking progress, based in part on housing subsidies, is being made in Chile, Costa Rica and Colombia.

Brazil also has success stories, with the government pressing ahead with regulatory changes that will attract more investment in infrastructure. Brazil also attracted our Prime Minister whose recent visit helped to relax a strained relationship.

Back to the bad news - and what Canada is or is not doing about it. I refer to Haiti. Last February, with some nudging from the international community, especially France and the United States, and with Canada's quiet acquiescence, President Aristide flew into exile in a no-name American chartered aircraft.

For the third time in 20 years a Haitian government had collapsed leaving the poorest country in the hemisphere as a destabilizing influence on its neighbours, a growing narcotics and transnational crime base and a major source of apprehension to Haitian and Caribbean descendant populations in Canada. The remnants of a Haitian State remain, but, for all practical purposes, and especially outside the capital, the government has lost the ability to exercise authority in its own territory. Haiti has become a failed state.

Past attempts to improve governance and quality of life have largely failed through a combination of Haitian truculence, corruption, donor fatigue and impatience. The vacuum of governance and the scale of appalling human misery are a reproach to the hemisphere and to the principal donor nations. Haiti occupies the top or bottom rung of quality of life indicators in the hemisphere, depending on which is worse. The country's worst hurricane in decades made everything much worse, particularly in the central and populous Gonaive and Artibonite area. In world terms (the UN Human Development Index) Haiti ranks at 153 - between Mauritania and Djibouti.

The country has not been neglected by donor agencies. CIDA has committed \$147 million over a two-year period, but Haiti is a notorious sinkhole. A recent study by the World Bank indicated that 15 years of development assistance had produced "no noticeable effect". For 6 months there have been discussions among the UN, the OAS, CARICOM (mostly English speaking Caribbean countries) and the interim Haitian government. There is a coordinating UN office, humanitarian aid is being disbursed, especially in hurricane ravaged areas, but a close look at the results is not encouraging. Troops and police from Brazil, Chile, Argentina, Canada and even China are on the ground, but in less than the numbers proposed and lacking the authority to disarm the criminal gangs that were instrumental in bringing down Aristide. These gangs, in most cases enriched by drug money, intimidate local authorities and ignore international authorities.

Money has been set aside by the US, Canada and others for the elections that are scheduled to take place next year. But, in what sort of context? As Prime Minister Martin pointed out on his visit to Port-au-Prince last month, Aristide's Lavalas party lacks the security to participate actively. Moreover, the criminal gangs exert primary political power in many regions. As it was in Bosnia in 1996, the rush to elections is likely to entrench not resolve problems.

The challenge remains to find a development model that works. The last 2 attempts – following the exile of Jean Claude Duvalier in 1986 and following the UN authorized invasion of 1994 that restored the Aristide government – were failures. Two things are needed this time and both are missing. The first is a political framework borrowed from the E. Timor, Cambodian and Dayton examples under which authority would be delegated for a limited period to a UN led international consortium. Increasingly integrated with Haitian authorities and professionals its purposes would be to develop security and the judiciary, to supervise the distribution of aid, to support municipal governance and rehabilitate essential services including health. A tall order.

The second requirement is leadership. Success in East Timor, Sri Lanka and Bosnia respectively could not have been secured without effective Australian, Norwegian and US leadership, backed up with well-resourced diplomatic, development and military support. Canada has a unique combination of national interests and comparative advantage for a leadership role in Haiti. Haiti is a destabilizing player in a fragile Caribbean environment. Energy, vision and commitment would be required to equip Canada with the necessary tool kit. Another tall order, given the government's penchant for international rhetoric over international substance.

In the blurb that accompanied the announcement of this talk, I mentioned that the OAS was in disarray. The OAS faces a potentially lethal or at least stagnating crisis. With non-discretionary expenditures annually consuming a growing proportion of the budget and many member states behind in their quota payments, the OAS has been sliding toward a limbo when all funds from the regular budget will be assigned to salaries and

pensions with nothing, except trust and non-subscription contributions, to sustain its operations

Messy? It gets messier. When he took over in September the new Costa Rican Secretary General, Miguel Angel Rodriguez, made a strong commitment to put the organization back on the financial rails. Then he became entangled in a financial scandal at home and by mid October he had resigned – damaging the image of the OAS and stalling plans for financial recovery.

This is also bad news because the OAS has a key role in preserving fragile democracies, stimulating trade and attempting to deal rationally with drug production and transshipment. We have excellent people involved with the OAS both in Washington and Ottawa, but we have been reluctant to take on a senior leadership role in a context where strong Canadian stewardship would be welcome. We should at least be proposing a candidate for the position of Assistant Secretary General. With the future of the organization at stake, Canada should be putting more shoulder to this wheel.

A strong, credible OAS is the instrument of choice in dealing with populist governments that consolidate their authority by stripping away democratic checks and balances. Colombia has its own tragically unique problems, but elsewhere in the Andes immoderate populism is filling the spaces left by discredited traditional political parties. Venezuela's Chavez is the best known of the new leaders who tread a narrow path between democracy and authoritarianism. He has become an improbably successful force in Latin America and especially the Caribbean where he has combined oil subsidies with diplomatic skills. It is tempting but simplistic to say that he is charting a full Cuban path. Unlike Cuba, Venezuela has one of the oldest democracies in Latin America, but it is a democracy under siege. Unfortunately, the US has squandered much of its leverage and is a hostage to Venezuelan oil production. By contrast, Lula of Brazil, his powerful neighbour may provide some restraining influence.

Chavez is the new hemispheric phenomenon. He is beginning to overtake Castro as the most charismatic leader in the Americas. Canada's influence on Chavez approximates our almost non-existent influence on Castro.

There are many problems which illuminate the gap between rhetoric and activity in our Latin American and Caribbean policies. In 2001, Mr. Chretien and his government committed Canada to negotiate free trade agreements with four Central American countries. The lack of follow up by Canada is puzzling the Central Americans and is not helping Canadian credibility in that area. The same problem with the English speaking Caribbean. At the Canada-Caricom Summit in Montego Bay in 2001, Mr. Chretien and his Caricom counterparts announced the launch of free trade negotiations. A Caricom official has described the results as "desultory at best". This reinforces the perception that Canada's traditional engagement with the Caricom countries is slipping.

In April 2003 the Prime Minister agreed to open talks with the Dominican Republic on free trade. To date there has been no serious follow up. In Bolivia Canadians have

persuaded the Bolivian armed forces to follow the Canadian model and open up their military academy to indigenous students. In Bolivia this is an unprecedented break in the walls of ethnic exclusion, but the project has been close to collapse for want of less than \$40,000.

Across the region embassies and high commissions are handicapped by niggardly support. Without a minimally resourced Foreign Affairs Department, we lose our competitive edge in all three pillars of our foreign policy: trade, peace and culture. In the areas of trade and culture, where there are substantial opportunities, we face better-funded competitors with much higher percentages of national over locally engaged officers. In Latin America China is emerging as an increasingly aggressive competitor. In the aid field where CIDA contributions remain below the levels reached in the early 80s, disbursement is partially inhibited by agencies and ministers spooked by sponsorship and the auditor general. If present plans are realized there will soon be no Assistant Deputy Minister for the Americas.

I am sure that people in this room do not mistake the rhetoric of foreign policy for the real thing. Canada has humanitarian interests in Afghanistan, Darfur, and Sub Saharan Africa and should continue to deliver. The government goes further - and has repeatedly proclaimed the sensible doctrine of "responsibility to protect", but has no capacity, leverage or regional credibility to work meaningful change in these places. In recent months the volume of rhetoric has been going up, but as we squeeze budgets to feed the sacred cow of health care, there is less and less for essential diplomatic machinery.

If we are to make a change and revitalize the support systems upon which effective diplomacy rests, why not start in our own hemisphere where we have the potential to make a difference that we clearly do not have in most other parts of the world. This is called niche diplomacy and it is high time that Canada had a go at it.