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Bolivia's 2004 Municipal Elections

Rachel Gisselquist

Just fourteen months after President Gonzalo Sánchez de Lozada was forced to resign amid widespread popular protest in October 2003, Bolivia's political situation remains tenuous. Bolivia's municipal elections on December 5, 2004 serve as an important political barometer in this period of continuing crisis. Since assuming the presidency, Carlos Mesa has endeavoured to meet the demands of the October protesters, however, the basic structural points of conflict remain. One key conflict is tied to the profound socioeconomic gap between the country's poor, indigenous, and increasingly mobilized majority, on the one hand, and its traditional *mestizo-criollo* elite, on the other. A second is the continuing regional tensions between the west and the east, the latter of which is rich in hydrocarbons and agriculture, and considered to be the country's new economic powerhouse. An historian with little political experience and no party backing, Mesa has pulled more than one rabbit out of his hat, but whether his government can survive until the next scheduled general elections in 2007 remains an open question.

It was against this backdrop that Bolivia held its municipal polls. Up for grabs were the mayorships and council seats of the country's 327 municipalities. At stake was national influence, both in the constituent assembly, scheduled to begin this summer, and in preparations for the next general elections. Another unique feature of these elections was the presence of new competitors: under reforms passed in February 2004, these included both "citizens' groups" and "indigenous peoples", in addition to political parties. Many of these groups used the elections to launch new organizations in preparation for upcoming national events.

If there had been any doubts that the traditional parties had lost ground to Evo Morales' Movement Towards Socialism (MAS) and other new groups, these elections dispelled such concerns. Overall, MAS was the clear winner with 18.48% of the vote, highlighting the continuing appeal of Morales' message, which was especially broad-based in this election. It included direct calls to the middle class and urban professionals, in addition to its rural poor, indigenous base. These municipal elections further place Morales in line for a competitive presidential run in 2007. Second in terms of votes was the Fearless Movement (MSM), a new party led by Juan del Granado, La Paz's mayor, whose central issue is the fight against corruption. Among the top 10 voter getters, five parties were founded in the last six years.

By contrast, there was a noticeable drop in support for traditional parties. Sánchez de Lozada's National Revolutionary Movement (MNR), the centre-right party that led the country's National Revolution of 1952, came in fourth with just 6.65%, compared with its first place win in the last municipal election. The Movement of the Revolutionary Left (MIR-NM), which placed second in 1999, dropped to third. The rightist National Democratic Action party (ADN), which had been third, dropped to twelfth.

Top Ten Winners in Terms of Vote Share		
Organization	Vote Share	Council Seats
Movement Toward Socialism (MAS)	18.48%	453
Fearless Movement (MSM)	8.74%	70
Movement of the Revolutionary Left – New Majority (MIR-NM)	7.09%	155
Nationalist Revolutionary Movement (MNR)	6.65%	196
Plan for Progress (PP)	6.58%	52
National Unity Front (UN)	5.89%	116
XXI Century Alliance (AS XXI)	3.18%	5
New Republican Force (NFR)	2.99%	51
Together for All United Front (FAJPT)	2.84%	3
Civic Solidarity Unit (UCS)	2.77%	32

Source: Bolivian National Electoral Court

Top Ten Winners in Terms of Council Seats		
Organization	Council Seats	Vote Share
Movement Towards Socialist (MAS)	453	18.48%
National Revolutionary Movement (MNR)	196	6.65%
Movement of the Revolutionary Left – New Majority (MIR-NM)	155	7.09%
National Unity Front (UN)	116	5.89%
Nationalist Democratic Action (ADN)	111	2.55%
Fearless Movement (MSM)	70	8.74%
Pachakuti Indigenous Movement (MIP)	68	2.43%
Plan for Progress (PP)	52	6.58%
New Republican Force (NFR)	51	2.99%
Free Bolivia Movement (MBL)	51	2.52%

Source: Bolivian National Electoral Court

While the party landscape has changed, traditional parties and their leaders are still in the picture. Given the way that council seats are apportioned, traditional parties maintained considerable influence: MNR, MIR-NM, and ADN were among the top five seat winners. In addition, the entrance of citizens' groups provided effective cover for several old political hands to repackage themselves. Of particular note is Jorge "Tuto" Quiroga, formerly of the ADN; he was one of the founders of the Twenty-first Century Alliance (ASXXI), which placed first in the eastern capital of Santa Cruz. Quiroga is thought by many to be Morales' key challenger in the next presidential elections.

The possible Morales-Quiroga race highlights the country's continuing left-right division, centring on the debate over neoliberal reform. Echoing many of the demands raised in October 2003, MAS candidates made "gas for Bolivia", national sovereignty and the gap between rich and poor central rallying cries. MAS' message further signals the strength of the new "indigenous left", largely untainted by the missteps of the traditional left.

As in previous elections, a regional left-right split was also clear. As evidence of growing regionalism, many groups in Santa Cruz and other eastern municipalities made calls for autonomy central to their platforms. While Bolivia does not yet have any regional parties, the birth of strong regionally-based citizens' groups suggests the troublesome possibility of their formation. Given economic and ethnic differences between the east and the west, the emergence of regional parties could heighten tensions over the division of resources, economic policy, and cultural reforms.

Finally, a factor little commented on, is that direct participation by "indigenous peoples" has seemed to exacerbate the continuing division within the indigenous movement—a factor underscored in these elections. In several rural municipalities more than one indigenous group contested, each with a slightly different ethno-regional base. From a political standpoint, the reform effectively encouraged the splitting of the indigenous vote, which could weaken any united indigenous opposition at the national level. This development could help the Mesa government in the short-term. On the other hand, the reform also created worrisome incentives for ethnic census elections (i.e., elections in which party support is so closely linked to ethnicity that ethnic demographics predict election results). This is precisely what electoral reforms in many other ethnically-divided democracies are designed to deter.

Overall, the successful passage of yet another free and fair election in Bolivia can only be seen as a positive sign for democratic institutionalization. Yet this democracy remains fragile, indeed. In January 2005 as new municipal governments took office, the country confronted yet another political crisis. From his new position as head of Bolivia's principal political party, Morales raised several calls for the general elections to be moved up. ■

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All Winners - No Losers? Reflections on the Troubled State of Nicaragua's Democracy

Manuela Aguilar

Nicaragua's fragile democracy has had a troublesome start to the new year. After two weeks of severe political crisis, the power struggle between the National Assembly and the government of Enrique Bolaños barely reached a fragile ceasefire on January 14, 2005. And the problems are not over yet.

The battle

It all started in November 2004 when the National Assembly approved a number of constitutional reforms designed to significantly change the balance of power in Nicaragua's political system and to reduce presidential powers. The reforms include granting the legislature the right to ratify as well as dismiss ministers and other high government officials. These reforms were immediately contested as unconstitutional by the Bolaños' government. The Assembly's efforts to shift powers away from the presidency are a direct result of the latter's brusque policy of alienation of the Liberal Constitutional Party (PLC) and the Sandinista National Liberation Front (FSLN) two major political parties in Nicaragua. When Bolaños came to power in the 2001 elections on the PLC ticket, he immediately set out to remove the party's leader, former president Arnoldo Alemán (1997-2002). As part of his anti-corruption campaign and in alliance with the left-wing opposition party, the FSLN, Bolaños accused Alemán of fraud and embezzlement, and Alemán was subsequently sentenced to 20 years in prison by the end of 2003. Bolaños underestimated his rival's strength, however. Even from jail, Alemán rallied his PLC followers against Bolaños, and when the president committed a vital political error by breaking off his uneasy alliance with the FSLN—due to United States (US) pressure—he found himself alone. Teaming up against a common enemy, the PLC-FSLN bloc supported the Comptroller's Office request in October 2004 to consider overturning the president's immunity to investigate the whereabouts of funds spent during his 2001 electoral campaign (FOCALPOINT, October 2004).

The 2004 constitutional reforms, which were ratified on January 13 in one of the National Assembly's first sessions after its Christmas break, are a direct consequence of the alienation between the two major parties and the government. While Bolaños calls the reforms a *coup d'état* attempt against a democratically elected government, the Assembly maintains that they are a vital step in strengthening Nicaraguan democracy by leading it away from a political system that has given too much power to the president. In fact, the reforms seem to be a simple continuation of the alliance signed in 1999 by Alemán and FSLN leader Daniel Ortega. Anxious to prevent a winner-take-all advantage for their opponent in the next elections, both popular leaders decided to split the control over major political institutions, among them the Comptroller's Office, the National Supreme Court and the Supreme Electoral Council.

In an effort to save his neck and finish his term, Bolaños sought help from the international community. So far, both the Central American Court of Justice and the Organization of American States (OAS) have supported his call to block the reforms, while the Assembly, supported by the Nicaraguan Supreme Court of Justice, fiercely rejects outside interference in its internal affairs. In fact, Bolaños' turn towards the international community further consolidated his opposition forces. Tensions heated up so much during the first days of the new year that twice the president was believed to be on the verge of calling for a state of emergency and engaging the national army in the power struggle. The army, however, seemed to remain aloof and there are serious reasons to doubt that it would have interfered willingly.

The ceasefire

During the second week of January, Nicaragua's newspapers reported on fervent negotiations to prevent a national crisis, with major movements between Ortega, Alemán (now comfortably under house arrest), and representatives of the Bolaños government, under the auspices of a mediation team from the United Nations (UN) and the head of the Nicaraguan Catholic Church, Managua's Archbishop Miguel Obando y Bravo. Nicaraguan citizens had trouble following the confused and contradictory accounts of alliance break-ups, new formations and changing agreements that emerged from those negotiations, until January 14, when a tripartite accord that established a ceasefire was announced: Bolaños will be allowed to finish his term, the constitutional reforms—now ratified—will not be implemented unless supported by a consensus between the government and the two major political parties. A general political dialogue between these three actors is supposed to provide the basis for a lasting peace and long-term social, economic and political reforms.

The winners?

Nicaragua's fragile democracy seems to have survived a major storm and even come out stronger. On the surface it looks as if the UN's preventive diplomacy approach worked: an outbreak of violence was averted and there was no need for outside intervention; the political order, although severely shaken, has remained

intact; and Nicaragua has again shown that it has learned how to solve its problems through peaceful means. As President Bolaños said when he announced the tripartite accord: there were no losers, only winners.

However, the way things were arranged leaves doubts as to the strength of Nicaragua's democracy. First, civil society was excluded as an actor in this drama. It staged a major peaceful march during the crisis calling for a referendum—that nobody bothered to notice—to underline its disagreement with the significant power increase for a National Assembly perceived to be concerned more with its major actors' revenge against the presidency than with the development of the country.

Venezuela

At her January 18, 2005 confirmation hearing US Secretary of State Condoleezza Rice said Venezuela has become a "negative force in the region", stating that the Venezuelan government was causing difficulties for its neighbours (Economist, 22/1/05). At the moment, the Colombian government would agree with her.

Diplomatic tensions have recently escalated between Venezuela and Colombia. On January 14, Venezuelan President Hugo Chávez suspended cooperation agreements between the two countries following the capture in December of Colombian FARC leader Rodrigo Granda in Caracas, who was granted Venezuelan citizenship in 2004. Despite the Chávez government receiving a reward from Colombia for the information leading to Granda's capture, Chávez is demanding an apology from Colombia's President Álvaro Uribe.

Colombia has since retaliated with charges that Venezuela has become a haven for terrorist groups such as the FARC, because the government, while not actively supporting them, turns a blind eye to their presence. This is not the first time Colombia has lobbed such accusations at its neighbour. In 2001, a Colombian rebel leader took refuge in Venezuela after hijacking a commercial plane; another was invited to speak to Venezuela's National Assembly in 2000 (Miami Herald, 20/1/05). However, Uribe said he was open to a summit between the two countries to discuss the issue. Chávez has tentatively agreed to a face-to-face meeting.

Domestically, Chávez's new land reform program is causing alarm. On January 8, the government seized a massive British-owned farm in the northern part of the country, and a commission is now deciding whether the farm is "unproductive" and should be turned over to a peasant cooperative.

While US officials are not ready to call Chávez a "destabilizing threat" to the Andean region, his recent acts, emboldened by his renewed mandate in the August 15 referendum, suggest the potential for concern in the future.

Second, the Nicaraguan power struggle severely damaged the country's image with the international community. Both the Central American Court of Justice and the OAS seem to have been called on by the president as mere instruments to secure his position and discarded whenever another agreement seemed to be on the horizon. These two bodies are still used as points of pressure to strengthen the executive's negotiating power for the upcoming trilateral meetings.

Finally, where do we go from here? Rumours are circulating that the much hoped for national dialogue will, again, exclude civil society, arrange things among the political elites with as little transparency as possible, and include, perhaps, an amnesty for both Alemán and Bolaños at the expense of the few advances in the battle against corruption. Nicaragua is left with a debilitated presidency and state control neatly divided between two political parties—whose long-term cooperation is questionable at best—determined to maintain their monopoly positions.

So at a second glance, democracy has not advanced that much after all, and there are many losers: those of us who recognize that, even with the tripartite accord, the two major political parties have consolidated their power positions. Whatever the results of next year's presidential elections are, there is no doubt that the choices for Nicaraguans will be poor. Political participation of civil society, and thus democracy, has suffered a severe setback. ■

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Political Instability in Ecuador: The Supreme Court

Adrián Bonilla

A new political crisis was unleashed in Ecuador with Congress' total reorganization of the Constitutional Tribunal, the Supreme Electoral Tribunal and the Supreme Court of Justice; these changes had majority support from the multi-party parliament and the President of the Republic.

The Ecuadorian political order was destabilized during the mid-1990s and has yet to find an equilibrium point. While President Lucio Gutiérrez has managed to survive the first half of his term, and probably faces better conditions in the second half, this is not to say that there has been a parallel process of institutionalization in Ecuador as a whole. Politics in a society fractured by regional, ethnic and economic disputes takes place through patrimonial and clientelistic relationships via negotiations or conflict between political actors with ephemeral alliances.

For the past twenty-five years the highest courts have been appointed by a parliamentary majority. In this case, the recent replacement of Supreme Court Justices caused a rupture in the current constitutional order, which was designed in 1998 to stabilize a hyper-politicized judiciary by giving Supreme Court judges lifetime appointments.

What happened in Ecuador does not imply an accumulation or concentration of power on the part of the president. It is not, in this sense, comparable to the Venezuelan experience. On the contrary, the president is merely one more actor—not the majority—in a coalition of Congressmen who want to divide up power quotas between their respective members.

The parliamentary majority that drove the judicial reorganization is led by two populist parties and supported by other populist forces. Despite having lost seats in the October 2004 local elections these parties were still able to form a slim majority. The Ecuadorian Roldosista Party (PRE) is formed around leader Abdalá Bucaram, who led the country for only six months in 1996 before fleeing to Panama. The other party is the National Action for Institutional Renewal (PRIAN) funded by millionaire Álvaro Noboa, who lives in New York and has twice taken second place in the Ecuadorian presidential election. Other political forces supporting this alliance include President Gutiérrez's Patriotic Society Party (PSP), the radical marxist Popular Democratic Movement (MPD), and various other deputies that broke with their respective parties and generally vote with the president.

Paradoxically, the political forces that were excluded in the judicial reorganization were those that triumphed in the October 2004 elections. These parties include the right-wing Social Christian Party (PSC), led by ex-President León Febres Cordero (1984-1988), and the Democratic Left (ID), led by ex-President Rodrigo Borja (1988-1992), which form the two largest political parties in Ecuador. Also included is the indigenous Pachakutik Party (PP), which managed to elect more local governments in the October elections than it did four years ago.

Before the reorganization, the Supreme Court of Justice, as well as the Constitutional Tribunal, were dominated by judges close to former president Febres Cordero. Since 1990, the PSC has been the most dominant force in the Ecuadorian Parliament. This dominance has allowed the party to have a significant influence over the courts. Specifically, because of his dominance over the judges Febres Cordero had the ability to favourably negotiate with all of the governments formed during the 1990s, and to punish his enemies. Former Vice President Alberto Dahik (1992-1995), and former presidents Bucaram, Fabián Alarcón (1996-1998) and Gustavo Noboa (2000-2004) were all tried and sentenced for various crimes in processes notably slanted by politics, in the courts run by PSC. All of Ecuador's crises in the 1990s centre around former President Febres Cordero.

The reorganization of the Supreme Court could have various implications in the medium-term. For President Gutiérrez, who has clashed with Febres Cordero, it can be a guarantee of freedom, given the fate of his predecessors. However, the crucial card could be played by Bucaram; presently, he cannot return to Ecuador because of outstanding charges against him after his short, chaotic presidency. The intention would be to exonerate the former head of state in the new courts, allowing him to return to Ecuador and once again demonstrate his skill as a political candidate. Noboa is interested in controlling the electoral courts and trying to form an alliance with Bucaram for the next elections.

The smaller forces in the coalition are made up of individuals with diverse motives, ranging from those employing the simple clientelistic logic of vying for public resources, to those seeking electoral law reform to improve representation of minority parties in the government.

Congress' decision has met with very strong societal opposition. Almost all major media outlets have spoken out against it, as have the mayors of the biggest cities in the country, business organizations, indigenous groups, unions, the Andean Commission of Jurists in Lima, and various other human rights and defence of democracy groups, who maintain that Ecuador has broken the rule of law.

The discussion over the legality of what Congress has done does not make sense because the event is political; moreover, there seems to be a clear rift between the laws and the Constitution, according to the Bar Associations. Although politics has governed the courts since Ecuador's return to a civil regime, in this case we are witnessing a change in the power and influence of the political actors. If the new court is consolidated, it will be a serious blow to the power of the PSC and the influence of their leader. The beneficiaries will be the populist parties.

For the moment Gutiérrez has become stronger, but things can change very quickly in Ecuador. Perhaps because of this precarious situation, and despite legal objections, the reorganization of the Supreme Court by Gutiérrez has received the tacit endorsement from the US Embassy—normally a very active voice in Ecuadorian crises. The structural context, however, has not changed, and instability remains the norm. ■

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Southern Cone

Countries in the Southern Cone continue to pursue regional integration and trade liberalization. In early January 2005, Chile announced the launching of formal negotiations of a free trade agreement with Peru and Ecuador. Peru is Chile's third largest trade partner in South America and the second recipient of Chilean investment in the region.

These three countries are already associate members of Mercosur—the imperfect customs union made up of Argentina, Brazil, Uruguay and Paraguay. Ecuador, along with Venezuela and Colombia, formalized their membership in the customs union during the Summit of Mercosur Presidents in Belo Horizonte in December 2004.

In turn, Mercosur and Mexican representatives are expected to meet in February to decide on conditions for Mexico's membership as an associate member of the bloc. The parties plan to conclude the association process in 2005. Also in February, exploratory trade talks are expected to take place between Mercosur and Canada. During Canadian Prime Minister Paul Martin's visit to Brazil in November 2004, the two governments agreed to "negotiating enhanced market access in the areas of goods, services and investment, in the context of the creation of a future Free Trade Area of the Americas" (Joint communiqué, 22/11/04). It is not clear yet how future negotiations between Canada and Mercosur would interrelate with FTAA negotiations, a Canadian priority in the Americas.

Post-MINUGUA Guatemala: Strengthening National Verification through Civilian Oversight and Social Auditing in Security and Defence

Colleen Duggan

The end of 2004 marked the closure of the United Nations' Verification Mission in Guatemala (MINUGUA), bringing to an end ten years of verification of the Guatemalan peace accords by the United Nations (UN). While the departure of MINUGUA symbolizes a major milestone in the peace process, Guatemala now finds itself at an historic crossroad. Sustainability of progress hinges upon two key challenges: first, keeping the international community politically and financially engaged in the process; and second, on Guatemala's own capacity to guarantee the irreversibility of advances made so far through the presence of a strong civil society capable of responsible oversight and constructive engagement with the state and its institutions. The latter will be the focus of this article.

Progress so far and ongoing challenges

With 13 agreements and more than 300 specific commitments relating to political, social, economic and cultural transformation, the Guatemalan process has probably been one of the most comprehensive and ambitious peacebuilding ventures to date. Despite significant progress on a number of fronts, upon its departure, MINUGUA highlighted the achievement of public security and the rule of law as two of the major outstanding tasks for Guatemalans. Growing levels of criminal violence and several high profile cases of corruption in the Ministry of Defence point to an undeniable truth: Guatemala, under the Berger administration, urgently needs to begin unravelling the web of criminal connections that exist between groups of interested civilians, military officers, public officials and certain business people. It is these clandestine groups, and the complicity pacts between them, which continue to feed impunity while intimidating those public officials and human rights activists who dare push for serious investigations and justice through the courts.

The Commission for the Investigation of Illegal Groups and Clandestine Security Organizations in Guatemala (CICIACS)—a UN commission set-up at the invitation of the Guatemalan government—was unable to commence work in 2004 when the constitutional court ruled a number of its powers to be unconstitutional. What is clear is that with or without CICIACS, Guatemala urgently needs to build the capacity of its 22,000 member Civil Police Force and deepen efforts to modernize and reform its justice sector.

What role for civil society in national verification?

Even its most severe critics admit that one of the most innovative features of the Guatemalan peace process has been the number of mechanisms and spaces in which civil society and government have engaged in dialogue and debate on a diverse range of public policy questions. The “*comisiones paritarias*” and “*mesas de diálogo*”, while not without problems, have succeeded in cultivating a more robust domestic capacity for democratic and peaceful debate on some of the country’s most contentious issues.

This accumulated experience can now be used by civil society actors who are assuming full responsibility for monitoring and promoting the implementation of the peace accords. In this regard, civil society has a number of tools at its disposal. Evidently, human rights reporting by national non-governmental organizations (NGOs) will continue to play a critical role in keeping both the state authorities and the international community on notice.

Equally important is the presence of civil society actors who can engage with the state and challenge official positions, often with strong technical arguments to backstop political considerations—what is often known in human rights parlance as moving from “denouncing to proposing”. Thus, active civil society participation in state-sponsored special commissions to oversee the creation and implementation of public policies will also continue to be critical.

Citizen security and defence: Unfinished business

Five years after the first efforts to redefine security and defence policy, 2004 ushered in the approval of a new military doctrine. The National Defence White Book was completed in consultation with civil society representatives. The process was not without its problems. Critics point out that the military continues to be far too involved in matters of public security and retains certain functions that could be assumed by civilian institutions (e.g. management of natural disasters; guarding archaeological sites). Moreover, the White Book endeavours to uphold the institutional autonomy of the armed forces, assuming that the army takes the lead in generating defence policy, a matter which clearly should be driven by civilian authorities.

Supporters of the doctrine point to the fact that it explicitly articulates respect for human rights and international humanitarian law, recognizing Guatemala as a multiethnic and multilingual nation; it includes a key provision concerning non-adherence to superior orders when these might result in crimes against humanity. Some individuals who worked on the document suggest that the fact that these changes were made without significant resistance from within the armed forces is a clear sign that progress has been made in subordinating the army to civilian authority.

Oddly enough, the White Book does not acknowledge the army’s role in Guatemala’s armed conflict. Both military and civilians involved in the creation of the doctrine claim that its absence was due to the lack of agreement on this point between the two groups. This was one of the issues that generated the most controversy and sunk past attempts to advance policy reforms for both defence and security. Given its less than illustrious history, one cannot help but wonder what impact this type of political amnesia will have upon the evolution of Guatemala’s armed forces as a state institution.

What is clear is that the new doctrine will facilitate the oversight of the military by democratic institutions such as the Office of the Human Rights Ombudsman and by civil society groups. Of particular note are the initiatives of NGOs, such as Mutual Support Group (GAM), and congresswoman Nineth Bautista who have exposed serious irregularities in public budgeting and military spending. These efforts have been complimented by the work of the NGO, Institute for Teaching Sustainable Development (IEPADES), which has recently published a series of tools and methodologies for social auditing and civilian oversight of military spending.

However, as violence in Guatemala continues to oscillate between the political and the criminal, oversight of the military is only one part of the equation. In mid-2004, in response to increases in criminal violence and declining security conditions, the Berger government created the Security Advisory Council (CAS). Integrated by respected civilian security experts, CAS has been mandated to oversee the performance and behaviour of state security institutions and to propose government reforms on a wide spectrum of issues including gun control, police and the regulation of private security agencies. These efforts are to be applauded and merit the ongoing financial and political support of the international community.

Conclusion

Without a doubt civil society oversight and social auditing, the very underpinnings of national verification of Guatemala’s peace accords, will continue to play a critical role in dealing with that country’s human rights legacy and the ghosts of

Meeting of the Haiti Diaspora

In December FOCAL organized and convened *La Conférence de Montréal avec la Diaspora Haïtienne*, the largest gathering of the Haitian Diaspora to date. The event was inaugurated by Prime Ministers Paul Martin and Gerard Latortue and brought together over 500 participants from the Haitian Diaspora, non-governmental organizations and the governments of Canada, the United States (US) and France to discuss Diaspora support for the multi-donor Interim Cooperation Framework (ICF) for rebuilding Haiti.

The Canadian conference incorporated the results of smaller consultations with the Miami, New York and Boston Haitian Diasporas convened by USAID in 2004, and broadened the scope to include other Diaspora organizations from the US and France. Conference themes included the role of Canada in Haiti, the ICF and a review of projects currently being undertaken by Diaspora organisations. During breakout sessions Diaspora members discussed components of the ICC themes and exchanged ideas on how to facilitate greater Diaspora involvement. Three main issues emerged from the sessions:

- The Diaspora communities have a shared desire to contribute directly and personally to the rebuilding of Haiti. Several suggestions were presented on how to facilitate volunteer efforts, including the creation of an inventory of potential volunteers and their skills. While the Canadian government has volunteering initiatives, it was clear from the discussions that more must be done to involve the Diaspora in the design and implementation of these activities.
- Security in Haiti must be improved to allow for greater Diaspora participation in the rebuilding process.
- Negative stereotypes about the Diaspora in Haiti must be addressed. The Canadian mission in Haiti could contribute to this objective through greater incorporation of Diaspora members in projects and events in Haiti.

The conference also set an important precedent in inviting the Diaspora to comment on the ICF framework, a step that will hopefully lead to a permanent role for Diasporas in multilateral development agencies' consultations. The meeting also provided the opportunity for Diaspora organizations to meet each other, helping to strengthen the linkages within and between the communities. One result in this direction was the French participants post-conference announcement of the creation of "*Le Forum permanent de la diaspora sur la situation sociopolitique d'Haïti*".

The Montreal conference was an important first step in bringing attention to the actual and potential roles of the Haitian Diaspora in rebuilding Haiti. However, given time constraints and strong political flavour of the event, the technical aspects of Diaspora involvement were not addressed.

As a next step, FOCAL and the Multilateral Investment Fund of the Inter-American Development Bank will convene a series of meetings in June in Montreal and Toronto to examine technical issues in Diaspora engagement. These meetings will present new research on Diaspora communities in Canada and will focus on issues related to remittance transfers and the role of Information Communications Technology use by Diasporas and their communities of origin.

The conference report containing the results of the breakout sessions, along with a critical analysis of the conference and proposed next steps is available at www.focal.ca.

its past. As identified in MINUGUA's February 2004 report on the state of implementation of the recommendations of the Commission for Historical Clarification, initiatives and measures to strengthen the democratic process will continue to constitute the cornerstone of prevention and to nurture reconciliation.

However, initiatives for civilian oversight and social auditing will have a limited impact if they are restricted to the national scene. A number of Guatemala's security challenges have an important transnational dimension: Trafficking in arms, drugs and humans, the erosion of the judicial apparatus and corruption of public officials all serve to undermine peace and subvert the national economy. The major challenge for Guatemalans will therefore be to focus on the national level, while linking their initiatives to regional and international networks that are working to find solutions to these problems at the regional and hemispheric level. Ten years on, and millions of dollars later, Guatemala and Guatemalans deserve our unswerving support as they struggle to build the democratic, multiethnic nation so eloquently sketched out in the peace accords.■

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Cuba: Highlights of 2004

Cristina Warren

In October, 78-year-old Fidel Castro—in power for 46 years—fractured his knee and arm in a fall broadcast worldwide. Walking in public just two months later, Castro's fall nonetheless was a reminder of the spectre of dramatic change that awaits the island. Although it remains unclear how Cuban authorities envision a Cuba without Castro (explicit discussion of this topic is not sanctioned), recent developments help shed light on more short-term prospects. The events of 2004 highlight the Cuban leadership's ongoing retreat from the timid market-oriented reforms initiated following the collapse of the Soviet Union. These economic reversals have occurred alongside political measures by Cuban authorities to safeguard the revolution from perceived internal and external threats.

Economic growth amidst hardships

According to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Cuba's economy grew approximately 3% in 2004—up from 2.6% growth the year before. Growth was fuelled largely by tourism (up 8% over the last year) and the rise in production of nickel, one of Cuba's main exports.

The country's economy grew despite hurricanes Charley and Ivan, a lengthy drought, a dramatic rise in world oil prices, and restrictions on travel and money transfers to Cuba adopted by the George W. Bush administration in May. Furthermore, a power plant failure within the island's electrical-supply system in May triggered extensive blackouts throughout the year, as well as water shortages in some parts of the island, resulting in unexpected costs, productivity loss in addition to increased hardships for the island's population. These hardships were assuaged, although certainly not offset, by ongoing investments in the country's social infrastructure.

Centralization and corruption: dual priorities

The year witnessed a number of new policies aimed at further centralizing the communist state's control over the economy. From October onwards no new licenses for self-employment activities (already subject to onerous regulations) would be issued for 40 different trades. In November, the US dollar (introduced as legal tender in 1993) was made illegal for commercial transactions and was replaced by the "convertible peso" which has a face value equal to one dollar, but is worthless outside the country. Beginning January 1, 2005 state companies and joint ventures are required to relinquish control over foreign exchange and convertible Cuban peso accounts. Firms that wish to buy any goods or services available only in foreign currency now require special approval. Decisions over budgets and perks have been clawed back from company managers.

The year also saw the military assert its control over the tourism industry, whose employees were accused of pocketing state money. Ibrahim Ferradaz, then Tourism Minister, and dozens of other top officials were replaced, following charges of corruption. Currently, the ministry is full of staff

from Gaviota—a tourism company set up by the armed forces in the early 1990s.

Venezuela and China: strategic relationships strengthened

2004 saw Cuba strengthen its alliance with Venezuela, under left-leaning President Hugo Chávez. In December, Chávez and Castro expanded a cooperation agreement promoting a "Bolivarian alternative" to the American-backed Free Trade Area of the Americas. It calls for the dismantling of trade tariffs, and allowing their state companies to operate freely in either country. Most importantly, Venezuela will continue to guarantee Cuba a daily supply of 53,000 barrels of crude oil and derivatives on preferential terms—roughly one-third of the island's needs. Meanwhile, some 15,000 Cuban doctors and nurses and a similar number of teachers, sports trainers and other advisers are working in Venezuela.

Cuba also forged closer ties with communist China. Throughout 2004 there were a number of high-level exchanges between the two countries, including China's President Hu Jintao's visit to the island—his first official visit. Among a host of cooperation agreements signed, Chinese companies signed agreements to invest in the production of Cuban nickel and form a joint venture to explore nickel reserves. These arrangements should allow Cuba to double production of nickel from its current level of 75,000 tonnes a year, according to Fidel Castro.

Canada: emphasis on economic engagement

Most notable in the Canada-Cuba relationship in 2004 was the marked absence of any active political engagement by the Canadian government. The economic side of the relationship prevailed, as revealed by tourism statistics showing Canadians once again at the top of the list of visitors to the island.

Recent off-shore oil exploration findings by Canadian companies—Pebercan Inc. and Sherritt International—highlight other economic activities central to the Canada-Cuba relationship. If deemed to be of suitable quality, these resources offer the promise of sustenance to Cuba's beleaguered economy in the future.

Cuba resumes diplomatic contact with Spain and the European Union

The final months of 2004 saw Cuba renew diplomatic contact with Spain and the European Union (EU). Cuba had frozen diplomatic relations in response to the sanctions imposed by the EU in the aftermath of Castro's move in April 2003 to clamp down on a fledgling dissident movement on the island by jailing 75 of its members (the biggest such round-up since the 1960s).

Changes in the Cuba-EU relationship stem from the renewed efforts of Spain's new socialist government—that was elected in March—to dialogue with the island. Spanish diplomatic efforts include prompting discussion among EU members to soften their common stance toward Cuba's communist regime, specifically revoking a number of policies implemented following the crackdown, such as inviting dissidents to embassy events. While discussion among EU members regarding policies toward Cuba will take place on January 31, 2005, the topic remains contentious, given Cuba's negative human rights record. Although this year Cuba released 14 jailed dissidents for health reasons, the majority of the "Group of 75" remain incarcerated. A policy of harassment and arrests of dissidents continued throughout 2004, though not to the same degree as the previous year.

Rocky United States-Cuba relations in an electoral year

Not surprisingly, a heightened exchange of verbal barbs and diplomatic disputes between the United States (US) and Cuba prevailed throughout 2004, dominated by the November US presidential election and the legislative contest in Florida. Intended to stem growing discontent within some influential sectors of the Cuban American community regarding US-Cuba policy, in May the Bush administration released a 500-page report of the Commission for Assistance to a Free Cuba. The outcome of a six-month policy review on ways to increase American pressure against Cuba's regime, the report highlights the Bush administration's intent in ratcheting up pressure on the Cuban government in an effort to provoke its demise. Subsequent to the report's release, the US government implemented a number of its recommendations, including putting in place restrictions on travel and money transfers to Cuba. Reflecting the contradictory forces underpinning US policy towards Cuba, sales to the island by US businesses accounted for more than US\$480 million, triple the figure of 2002.

Predictably, US-Cuba frictions led to intensified political rallying efforts by the Cuban government against what it highlights to the population as an imminent threat of US military aggression, despite repeated denials by US officials of this possibility. Rallying prevailed throughout the year and permeated daily life. The year ended with civilians and troops participating in weeklong military exercises under a national defence strategy known as the "the People's War" ("Guerra de Todo el Pueblo")—the largest such exercise in 20 years. ■

Cristina Warren is the Program Director of the FOCAL Research Forum on Cuba. Based on FOCAL's *Summary of News Items Reported on Cuba (January-December 2004)*, a detailed chronology of news extracts available on Cubasource's (http://www.cubasource.org/index_e.asp).

Editorial

United States Foreign Policy in a Second Bush Administration

Donald R. Mackay, Executive Director

The November 2004 US election is now history, and tantalizing possibilities bandied about in countless salons have been settled to the gleeful delight of Republicans and to the stunned silence of Democrats. The victors completed their parade march down Pennsylvania Avenue on a frosty January morning and the President has announced most of his key Cabinet appointments—none of which evoked much surprise. As the "used to be Canadian" David Frum told us in his book a couple of years ago, President Bush values (and rewards) loyalty above almost everything else. In large measure, loyalists remain at the helm of the major points where the United States government is in contact with the rest of the world.

Yesterday, President Bush personally swore in one of his most loyal of loyalists, Condeleeza Rice as Secretary of State. Donald Rumsfeld, another staunch loyalist will remain in charge of the Pentagon. Robert Zoellick drops from a Cabinet level appointment as United States Trade Representative to number two supporting Rice at State. No replacement has yet been named, but we would be surprised if the eventual nominee strayed far from the dominant theme that is already beginning to shape US foreign policy objectives in the second Bush Administration.

One question occupying the other 34 countries in the Americas is where, how, and on what points will the United States (US) engage Western Hemisphere in the course of the next four years. The foundation of the answer is quite simple. President Bush used his inaugural speech to demonstrate his familiarity with two words: freedom and liberty. Combined, he uttered them some 47 times. For many, the concepts of freedom and liberty can—and should—stand as noble objectives in themselves. For President Bush, they may indeed represent some type of an objective, but in the main he sees them as necessary tools to secure US homeland security.

Freedom and liberty are the tools, but security is the ultimate objective.

If there is any mistake that has been made in the last four years, it has been to discount the importance of what President Bush says. Simply put, he says what he means.

Thus, for the US, the key organizing principles are thematic with geography playing a supporting role. Ideology is the driver.

The Middle East will remain at the top of the US agenda. Russia and the territories of the former Soviet Union will come next, as this area contains continuing threats to the current US definition of its security interests but also illustrates the odd victory (such as the Ukraine) for the freedom / liberty theme. Moving against the trajectory of the sun, the third area of priority will be Indian sub-continent with the "Pakistan issue" being the focus of attention. Asia-Pacific will also merit attention, chiefly Indonesia with the Philippines meriting a watching brief. North Korea is on everyone's list, even if no one really knows what to do about it. Lastly, but most critically, is the emergence of China (if a culture of 5,000 years can be said to be "emerging") which is quickly transforming itself from a sleeping regional power to an energetic global actor. Africa, devoid of oil or other critical resources, will remain largely ignored. And this leaves us with the Western Hemisphere.

In the Americas, a second Bush Administration will become more active on Cuba. The last 40 years of US policy has essentially sought to contain Fidel Castro and his government. Cuba never really represented much of a security threat to the US, despite the efforts of some to paint a different picture. It is an irritant and the concrete expressions of US policy treated it as such. The second Bush Administration is going to maintain the current level of pressure until 2006. They are sensing, in part, the inevitable "biological" reality (Castro is 78 years old), not to mention the inherent vulnerability of a regime with dwindling numbers of friends and supporters. The theme of liberty and freedom will argue for more explicit support for the small dissident community but the absence of any real security threat will rule out any military adventures. By 2006, the Bush family—and the Republican party—will have come to a definitive conclusion as to whether brother Jeb (Governor of Florida) will launch a serious attempt for the Presidency. After that decision is made, the US can then reassess the Cuba question, if necessary.

Venezuela represents an interesting case in terms of how the US will approach the world. Venezuela is the 4th largest exporter of oil to the US, which immediately invokes key US economic and strategic interests. Even in his wildest moments, however, Chavez doesn't even come close to threatening US security and as long as he maintains a surface semblance of democratic rule, he'll be rewarded by being the recipient of the odd forceful statement of "strong concern", but little else. Such statements will reaffirm in the mind of Chavez and his supporters his role as protagonist to the US, without any serious consequences for either party.

In Colombia, President Uribe need not worry about a cut off in US funding, which could very well have been the case—at least eventually—had Senator Kerry won the election. Plan Colombia with its emphasis on high-tech military gadgetry in service of anti-drug and / or anti-terror, will continue to be

supported by both the White House and Congress. It is at the second level in the State Department where things get interesting for the Americas.

Robert Zoellick, as Deputy to Condoleeza Rice, brings his experiences as US Trade Representative for the last 4 years with him. Above all, this signals a resurgent role for the State Department in US foreign economic policy-making, so long as Zoellick is not replaced at USTR with someone who has both a strong personality and significant political clout. The retention of the light-weight John Snow as Treasury Secretary almost guarantees this. For her part, Secretary Rice has not ever exhibited much interest in the Americas as a region and neither did the region frequently cross her radar screen during her days as National Security Advisor.

This leaves Robert Zoellick as the most senior official in the US government with direct and sustained experience in the Americas. As USTR, he was a frequent—if not always easy to deal with—visitor to the countries of the Americas. Unlike many Cabinet Secretaries he was in direct contact over a long period of time and at a quite deep level of detail with leaders and cabinet ministers throughout the Americas. As USTR, Zoellick pursued the Doha Round, the FTAA negotiations and a series of bilateral trade negotiations with vigour and tenacity. He bargained hard but essentially successfully by concluding agreements with numerous countries ranging from Central America to Australia.

Zoellick and Brazil's Foreign Minister Celcio Amorim have crossed swords for years now and while their relationship was often described as rocky, at least there is a relationship. Brazil's foreign policy ambitions, including those related to reform of the United Nations with a possible permanent seat (not necessarily with a veto) on the Security Council, are now at least partly in the hands of someone who knows the country fairly well.

The list of countries with which Zoellick also has relations includes both Canada and Mexico. In both cases, former Trade Ministers (Pettigrew

and Derbez) have gone on to Foreign Affairs portfolios, and while Rice would be their nominal counterpart it is Zoellick who has sat across the table from them—in some cases for several years. Both Canada and Mexico share essentially the same priority foreign policy objective. Neither can afford to let the US develop even the suspicion that their land borders, north or south, are gateways threatening US homeland security interests. This means working ever more closely with the US on border issues, which represents a possible additional opening for Mexico's pursuit of some accommodation on migration issues. Canada's border interests are tied to secure and predictable access for exported goods and services. Zoellick brings to the US side of the table a good understanding—not always present in those whose perspective is dominated exclusively by security issues—that US economic issues are also heavily engaged on this front.

President Bush and Secretary Rice will engage the world at large and will continue to drive freedom and liberty, both as an objective in itself as well as a means of securing US security interests. Neither is likely to pay much more than passing attention to the concerns of the countries of the Americas, who should instead look to Robert Zoellick as the person they most have to influence in Washington (along with the Congress). Thankfully, he brings significant direct experience and a range of established personal and professional relationships to the discussions. Just do not forget that he is a tough negotiator.

The Canadian Foundation for the Americas (FOCAL) is an independent policy institute based in Ottawa that fosters informed analysis and debate and dialogue on social political and economic issues facing the Americas. We support a greater understanding of these issues in Canada and throughout the region. FOCAL was founded in 1990 and has a full time staff of 15 people. The Board of Directors provides a strategic guidance to the organization and its activities.

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