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Message from the Editor-in-Chief

Dear readers,

As Executive Director for the Canadian Foundation for the Americas and Editor-in-chief for *FOCALPOINT: Spotlight on the Americas*, it is my pleasure to present this Holiday edition of *FOCALPOINT*.

The editorial team wishes to thank you for using *FOCALPOINT* as a main source of news and analysis about Latin America and the Caribbean. As a holiday present on this last edition of 2005, we offer you this information- and opinion-packed edition of *FOCALPOINT*.

This is a time of change and renewal for *FOCALPOINT*. In this edition, we are taking the initiative to publish *¿La unificación de Cuba con Venezuela?* an article by Ana Faya, Senior Analyst at FOCAL, in its original Spanish version, with a translation in English. In this way we hope to reach out to a broader hemispheric Spanish-speaking audience.

We invite you to comment on our product and its new features by filling out the attached questionnaire. This will help us get to know you better, allowing us to tweak *FOCALPOINT* to better serve your needs and interests. You can access this questionnaire at http://www.focal.ca/about/contact/opinion_e.asp. We look forward to your feedback.

Please note that starting with this November/December edition, we will now release *FOCALPOINT: Spotlight on the Americas* on the first Monday of each month rather than the last Thursday of the month, as has hitherto been the case.

Happy Holidays and best wishes for 2006.

Eduardo del Buey
Executive Director
Canadian Foundation for the Americas.

Mensaje del Editor en Jefe

Estimados lectores,

Es un placer para mí como Director Ejecutivo de la Fundación Canadiense para las Américas y como Editor en Jefe de *FOCAL POINT: Spotlight on the Americas* hacerles llegar nuestros mejores deseos en estas fiestas decembrinas.

Nuestro equipo editorial desea agradecerles su preferencia por nuestro boletín como una fuente importante de análisis y noticias sobre América Latina y el Caribe. Y como regalo en éste nuestro último número de 2005 hemos preparado un ejemplar repleto de información y artículos de opinión que confiamos serán de gran interés para ustedes.

El cierre del año es un momento propicio para cambios y renovación. Para empezar, quisiera informarles que a partir de este número nuestro equipo editorial tiene nuevas caras, y estamos trabajando en nuevas ideas.

En esta edición hemos tomado asimismo la iniciativa de publicar el artículo escrito por Ana Faya, Analista Principal de FOCAL, [¿La unificación de Cuba con Venezuela?](#), tanto en inglés como en español. De esta manera buscamos alcanzar a lectores de habla hispana interesados en asuntos hemisféricos.

Los invitamos cordialmente a que llenen el cuestionario anexo http://www.focal.ca/about/contact/opinion_s.asp y que nos hagan llegar sus comentarios sobre nuestro boletín, así como su opinión con respecto a esta nueva sección de FOCAL POINT. Esta información nos ayudará a conocerles mejor y nos permitirá responder mejor a sus necesidades e intereses. Su opinión nos interesa mucho.

A partir de este ejemplar, *FOCAL POINT: Spotlight on the Americas* será distribuido el primer lunes del mes en lugar del último jueves del mes como había sido hasta ahora.

Les deseamos unas felices fiestas y les enviamos nuestros mejores deseos para el 2006.

Eduardo del Buey
Director Ejecutivo
Fundación Canadiense para las Américas.



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Canadian Foundation for the Americas
Fondation canadienne pour les Amériques
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Cuba and Venezuela United?

Ana Faya

The political alliance between the governments of Cuba and Venezuela is a fact. But how far will this alliance be taken and what are the terms of such a partnership are questions that analysts have examined, without discarding the eventual unification of the two countries.

The text of these documents signed by Hugo Chávez and Fidel Castro in Havana in December 2004 substantially expanded and modified the previous agreements of October 2000 and give us important clues about the political and integrationist intentions of both presidents. Unlike the 2000 accords, which were circumscribed to economic cooperation—"oil for Cuban professionals"—those reached in 2004 take the relationship to the level of a political alliance between the two states. The text of the Accords says that both governments have considered "concrete steps towards the process of integration", under the auspices of the Bolivarian Alternative for the Americas (ALBA). ALBA is Chávez' initiative for regional integration which opposes the Free Trade Area of the Americas (FTAA) promoted by 29 countries of the Hemisphere, including Canada, the United States, the Caribbean, Mexico, Chile, Colombia and Peru. Only supported and signed by Cuba, ALBA's objectives go well beyond mere economic integration.

Chávez aspires to achieve radical transformations in Venezuela under the umbrella of what he has termed "21 century socialism". In the region, together with Castro, he has tried to use ALBA as a basis to transcend the prevailing models of regional integration and supposedly achieve the integration of Latin American societies via "the elimination of social inequalities", and the promotion of "quality of life and the peoples' effective participation in forging their own destiny". [See, *Joint Declaration and Agreement between the president of the Bolivarian Republic of Venezuela and the President of the Council of State of the Republic of Cuba*]

On the bilateral front, the implementation of the 2004 accords has positioned Venezuela as

Cuba's principal ally. Oil sales to Cuba now exceed 90,000 barrels a day, a significant increase from the 52,000 committed to in 2000, while the number of Cuban professionals (physicians, teachers and sport and security advisors) needed by Chávez in the transformation of Venezuela reaches 20,000, distributed among various strategic sectors of government and society. As things currently stand, the main expression of the interdependence between the two countries is in Cuba's need for oil and Venezuela's use of Cuban expertise in fields such as health, internal security or the organization of social and political campaigns across the region with groups of the Left. The protests on the margins of the Fourth Summit of the Americas in Mar del Plata were one of the most recent displays of that strategy.

These multi-million dollar political agreements also include a military component, revealed by the meetings held between Castro and Venezuelan military delegations on the island and by declarations by Cuban officials and President Chávez himself on joint defence initiatives in prevision of a potential US aggression.

Cuba

On November 17, Cuban President Fidel Castro launched a crusade against corruption, mobilizing an army of young Cubans to substitute workers in areas where theft and illegal activities have proved to be out of proportion. In a speech delivered to students of the University of Havana, Castro railed against those who pilfer and resell gasoline, and promised to cut back on private enterprise, like small family restaurants (*paladares*) and taxis. He also indicated that Cuba might revalue its currency again, a step taken in April that reduced the purchasing power of Cubans who receive cash from relatives living abroad.

On November 23, Castro reiterated his intent to give petty crime no quarter. "Don't anyone expect leniency," Castro said. In the course of his four-hour speech on state television, he also announced a raise in wages, pensions and electric rates that will come into effect in December. The wage hike—the third this year—will bring the average worker's monthly salary to about 16 dollars, up two dollars from the previous rate. The electricity rate hikes principally affect those domestic consumers who consume more than 100 kilowatt/hours per month, who are the majority of the population.

In his speeches, the Cuban president has censured Cuba's "new rich", spawned by reforms that allowed limited private enterprise a decade ago, after the demise of the Soviet Union plunged the island into deep economic crisis. In this "anti-corruption battle" Castro has taken aim at a wide range of wrongdoings, from illicit enrichment on the part of state officials to the theft of entire containers from the ports, whose contents are subsequently sold on the black market. In his November 17 speech, he maintained that the Cuban revolution could never be destroyed from the outside, but that it could be destroyed by the Cuban population itself, if certain vices are allowed to continue to fester. "Either we defeat the problem or we die," he warned. "We are marching toward a total renewal of our society," he said. (*AP, Reuters, IPS, Granma*)

In Cuba, the systematic campaign by the Castro government to portray Hugo Chávez as a "true revolutionary figure" is remarkable. In the official Cuban media, the Venezuelan President is depicted as always ready to assist Cuba any way possible (oil, food, disaster relief, homes). But above all, he is portrayed as being the "unyielding" victim (Fidel Castro's preferred formulation is "incaudicable") of the US—now a common enemy. This external element of confrontation has been crucial to legitimize Cuba's domestic policy. Such personality cult about a foreign head of state in the Cuban press, radio and television is unprecedented, even during three decades of alliance with the socialist camp and collaboration with leftist governments in Latin America and the Caribbean. This propaganda also implies publicity around the frequent exchanges of delegations from both countries, the publication of books about Chávez and of his complete speeches, the broadcasting in full of his interventions on Cuban television and radio and the presence of both leaders in political activities in Cuba and Venezuela. All of this aims to position Castro as a source of support of the Venezuelan government and Chávez as a leadership figure of Castro's stature in Cuba.

In this context, it was not surprising to hear such a high-level Cuban official as Vice-President Carlos Lage declare in Caracas last October that Cuba had two Presidents: Castro and Chávez. Neither was Chávez' emphatic response that "Cuba and Venezuela have united and that the world must know that their shared destiny is sealed, whatever the costs may be".

Despite the failure of almost a century of European-style socialism and the meagre results of the totalitarian adventure in Cuba, the messianic mentalities of Castro and Chávez may very well be laying the basis for the union of their countries under the same ideological banner. For Fidel Castro, whose age will soon force him to leave power, Hugo Chávez represents the political continuity of his project in Cuba and the region, petrodollars willing, at a time where the space left by the US in Latin America and the Caribbean can be manipulated politically with the argument presented by innumerable and serious unresolved social woes. For Chávez, the union with Cuba in Castro's lifetime would mean the

consolidation of a caricature of the Great Colombia of Simon Bolivar, so dear to social sectors in his country and the region, including the many times replicated “heroic resistance” of a nation—this time two—against the United States.

For the Cuban people and the governing elite that would succeed Fidel Castro, embarking on such an adventure would carry many implications. Having lived through 40 years of unilateral government under Castro and promoted the timid reforms of the 1990s—that the return to centralization has dismantled—the fragile Cuban leadership would see itself robbed of any real possibility to govern sensibly in an orderly transition as some of its members have forecasted. Such a succession could lead to the decrease of tensions with the US, among other things. Instead, this political class would be confronted with internal and external upheavals created by a unification scheme bound to result in failure. As for the Cuban population, just when an opportunity would arise to take the reigns of its own democratic destiny after four decades of authoritarianism, it would again have to grapple with an ineffective system, but this time under the authority of a foreign leader. ■

Ana Faya is a Senior Analyst at FOCAL.

¿La unificación de Cuba y Venezuela?

Ana Faya

La alianza política entre los gobiernos de Cuba y Venezuela es un hecho. Pero, hasta dónde pudiera llegar esta alianza y cuáles serían los ámbitos que cubriría son preguntas que varios analistas se han hecho sin descartar la eventual unificación de los dos países.

De por sí, el texto de los documentos firmados en diciembre de 2004 en La Habana entre Hugo Chávez y Fidel Castro, que ampliaban y modificaban sustantivamente los acuerdos primarios de cooperación de octubre de 2000, nos dan importantes indicios de las intenciones políticas integradoras de los dos mandatarios. A diferencia de los acuerdos de 2000 circunscritos a la cooperación económica, “petróleo por profesionales cubanos”, en los de diciembre de 2004 se pasa al ámbito de la alianza política entre las dos naciones. En el texto de los Acuerdos se lee que fueron considerados “pasos concretos” para alcanzar la integración de ambos países bajo la llamada Alternativa Bolivariana para las Américas (ALBA), una iniciativa de Chávez opuesta al Área de Libre Comercio promovida por 29 países del Hemisferio que incluyen a Canadá, Estados Unidos, el Caribe, México, Chile, Colombia y Perú. Los objetivos del ALBA, aceptada y firmada sólo por Cuba, sobrepasan la mera integración económica.

Chávez aspira a lograr transformaciones radicales en Venezuela bajo lo que ha denominado el “socialismo del siglo XXI” y, junto a Castro, con el ALBA intenta trascender los actuales modelos de integración regionales, para supuestamente lograr la transformación de las sociedades latinoamericanas

mediante la “eliminación de las desigualdades sociales”, el fomento de “la calidad de vida y una participación efectiva de los pueblos en la conformación de su propio destino”. [Véase, *Declaración Conjunta y Acuerdos entre el Presidente de la República Bolivariana de Venezuela y el Presidente del Consejo de Estado de la República de Cuba*]

En el plano bilateral, la implementación de los acuerdos del 2004 ha situado ya al país sudamericano como el principal socio de la isla. Las ventas de petróleo a Cuba sobrepasan los 90,000 barriles diarios, de 52,000 pactados en el 2000, mientras que solamente el número de médicos cubanos (además de los educadores, asesores deportivos y de seguridad) que Chávez requiere para la transformación de Venezuela, alcanza la cifra de 20,000. Los profesionales cubanos están estratégicamente situados en varios sectores estatales y sociales venezolanos. En la actualidad, la interdependencia entre estos dos Estados se expresa, sobre todo, en el petróleo que Cuba necesita, a cambio de la experiencia política cubana en campos tan variados como la medicina, la seguridad interna del país sudamericano, o la activación de campañas sociales y políticas entre sectores de izquierda de la región, de lo cual las manifestaciones paralelas a la IV Cumbre de las Américas en Mar del Plata fueron sólo una muestra.

Estos acuerdos políticos millonarios tienen un componente militar, evidenciado en las delegaciones militares venezolanas recibidas por Castro en la isla, y las declaraciones tanto de dirigentes cubanos como del propio presidente Chávez sobre la defensa conjunta de Cuba y Venezuela ante una supuesta agresión por parte de Estados Unidos.

En Cuba es notoria la sistemática campaña del gobierno de Castro por presentar en los medios oficiales a Hugo Chávez como un verdadero “revolucionario”, siempre dispuesto a ayudar a Cuba por cualquier medio (petróleo, comida, ayuda ante desastres naturales, construcción de viviendas), pero sobre todo, como una víctima “inlaudicable” frente a Estados Unidos, ahora el enemigo común—un factor externo de

enfrentamiento que resulta vital para legitimar la política doméstica. El actual nivel de culto a la personalidad de Chávez en los medios cubanos no tiene antecedentes en la isla, incluyendo las tres décadas de alianza con el campo socialista y de colaboración con gobiernos de izquierda en América Latina y el Caribe. Esa permanente campaña además implica la divulgación radial y televisiva en Cuba de los discursos del presidente de Venezuela, así como la retrasmisión íntegra de sus entrevistas; la difusión de los intercambios frecuentes de delegaciones de ambos países; publicación de libros sobre Chávez y sus discursos completos; así como la presencia de Castro y Chávez en actividades políticas en Cuba y Venezuela. Todo este esfuerzo de propaganda persigue situar a Castro en respaldo de las políticas del gobierno venezolano, y a Chávez como un líder para Cuba a la altura de Castro.

No fue sorpresivo por tanto que un alto dirigente cubano, como el vicepresidente cubano Carlos Lage, declarara en octubre en Caracas que Cuba tenía dos presidentes, Castro y Chávez. Tampoco sorprendió que el mandatario venezolano respondiera enfático a las declaraciones de Lage diciendo que "Cuba y Venezuela se han unido" y que el mundo debiera saber que su destino común estaba "sellado", costase lo que costase.

A pesar del fracaso de casi un siglo de socialismo europeo y de los magros resultados de la aventura totalitaria cubana, las mentalidades mesiánicas de Castro y Chávez bien pudieran estarse planteando la unión definitiva de sus países bajo un mismo signo ideológico. Para Fidel Castro, un anciano que deberá dejar el poder en breve tiempo, Hugo Chávez representa la continuidad política de su proyecto en Cuba y en la región, petrodólares mediante, en momentos en que el espacio poco atendido por Estados Unidos en América Latina y el Caribe puede ser manipulado políticamente bajo el argumento de innumerables y serias situaciones sociales no resueltas. Para Chávez, la unión con Cuba en vida de Castro significaría, entre otras cosas, la consolidación de una caricatura de la Gran Colombia de Simón Bolívar, que incluiría la muy repetida "heroica resistencia" de una nación frente a Estados Unidos—esta vez, de dos naciones—, tan cara a sectores sociales de su país y de la región.

Muchas serían las implicaciones para la nación cubana, y para la clase dirigente sucesora de Fidel Castro, de implementarse semejante aventura. Con la experiencia de haber participado del gobierno unilateral de Castro por cuarenta años, después de haber promovido las tímidas reformas de los 1990s, que la vuelta a la centralización del país ha echado por tierra, la frágil dirigencia cubana se vería despojada de la posibilidad real de gobernar con sensatez un proceso ordenado de cambios, como han anunciado, conducente, entre otras cosas, a la disminución de tensiones y normalización de relaciones con Estados Unidos. En oposición, se vería enfrentada a convulsas situaciones internas y externas provocadas por unificación semejante llamada, además, a concluir en el fracaso. En cuanto a la población cubana, después de cuatro décadas de un régimen totalitario, precisamente cuando se aproxima la oportunidad de diseñar su propio destino por caminos democráticos, estaría de nuevo ante un sistema fracasado, esta vez además, bajo la autoridad de un mandatario extranjero. ■

Ana Faya es a Analista Principal en FOCAL.

29-Member FTAA : Nothing to Get Excited About

Dean Foster

Following the Summit of the Americas in Argentina on November 4 and 5, the best that could be said about the achievements of the United States was that it lost nothing and gained little, to borrow from one headline.

On its primary topic of interest, the United States failed to persuade Brazil to support a resumption of negotiations for the 34-member Free Trade Area of the Americas (FTAA), which have been effectively frozen since the fall of 2003. In its opposition to restarting talks, Brazil—the other superpower of the FTAA negotiations and the primary obstacle of the United States since talks began in 1994—was joined by its Mercosur partners—Argentina, Uruguay and Paraguay—as well as the more aggressive stance of Venezuela's President Hugo Chávez.

At the summit, Mexican president Vicente Fox added vocal leadership in support of resuming the FTAA negotiations. On the first day of the summit, Fox suggested to the press that if Venezuela and the Mercosur four refused to move forward, the other 29 countries might proceed towards a deal without them.

American officials did not second Fox's comments, effectively 'agreeing to disagree' with Brazil over the FTAA until the scope of a World Trade Organization (WTO) package on agriculture liberalization becomes clear following December's Hong Kong Ministerial meeting and the early months of 2006. This follows Brazilian President Luis Inazio "Lula" da Silva's line of reasoning for holding off on FTAA talks and President Bush re-affirmed US support for a Brazil-friendly agriculture deal in the WTO at a bilateral meeting held after the summit.

However, if Brazil and its Mercosur partners continue refusing to re-start FTAA talks next year—with or without an ambitious WTO agreement—there is a strong possibility that the United States will proceed with the 29-member plan. While the United States would be more than

happy to leave Venezuela behind in the FTAA negotiations, the same does not hold true for Brazil, which is seen as the key 'prize' of an agreement.

A move towards a 29-member FTAA would be a mere extension of a strategy employed by the US throughout the negotiations before they froze up. On several occasions, including FTAA ministerial meetings, the United States announced the opening of free trade negotiations with other countries in the hemisphere. These were used as a tactic of 'competitive liberalization,' attempting to spur Brazil towards the FTAA with the threat that it would otherwise find itself left out in the hemisphere while its neighbours' industries enjoyed preferred access to the enormous US market.

In this vein, the United States has recently implemented a comprehensive free trade and investment agreement with Nicaragua, Guatemala, Honduras, El Salvador, Costa Rica and the Dominican Republic (the CAFTA-DR) and has another with Chile in addition to its arrangements with Canada and Mexico under the North American Free Trade Agreement. It also remains in negotiations for an accord with Panama and for a US-Andean deal including Colombia, Peru and Ecuador with the eventual possibility of Bolivia's accession.

With the exception of some very small countries (both geographically and economically) located mainly in the Caribbean, this list covers all of the FTAA participants besides the dissenting five. Canada too has agreements in place with Chile and Costa Rica, is in negotiations with the other four Central American countries and is in the consultation stage with the Dominican Republic and the Andean and Caribbean trade groups.

The fact that the United States and Canada have already encircled Mercosur with free trade agreements means that a 29-member FTAA would likely result in few liberalization advances beyond all of the bilateral arrangements in place or in the works. For this reason, it would provide little further threat to prod Brazil towards the FTAA. In essence, the competitive liberalization card has already been played and cannot be picked up again.

The closest that Washington's competitive liberalization strategy ever came to success was when it nearly picked off Brazil's Mercosur partners for free trade agreements in 2001 during a period of economic crisis in the region (caused largely by Brazil's own problems and its 1999 currency devaluation) and the unravelling of Brazil's leadership in the group—including within the FTAA negotiations. Brazil's position within Mercosur is far more secure now and it benefits from similar feelings towards the FTAA on the part of Néstor Kirchner, the president of Argentina (Mercosur's second largest economy by a very large margin). Without the movement of other Mercosur members, particularly Argentina, Brazil will probably not be lured into an existing 29-member FTAA without a significant internal political shift.

Despite this, a 29-member FTAA may still hold some attraction for the United States. For instance, many trade economists would be happy if it was successful in untangling and harmonizing much of the existing 'spaghetti bowl' of bilateral agreements within the 29 members, reducing the

complications that many exporters face when doing business under overlapping agreements.

It would also create a forum for regional summits that excludes the thorn of Hugo Chávez and Brazil's ever-present ambitions for regional leadership. These meetings would be particularly attractive to the US in light of the crumbling Organization of American States (OAS) and Summit of the Americas processes and the rising profile of the Ibero-American Summits that leave out the United States, Canada and English-speaking Caribbean countries.

Finally, the 29-member FTAA would include rules for a quick accession in the event of major political changes in any of the five dissenting countries.

But beyond a flashy title and irrelevant comparisons to the European Union, a 29-member FTAA offers little actual trade and investment liberalization to get excited about at the moment—for either free trade advocates or its opponents. The only big story in any FTAA scenario would be the addition of Brazil and its Mercosur partners to a regional framework that includes the United States. This will take a long time whether Brazil agrees to restart the negotiations (where it would likely continue to fight for a weak FTAA agreement) or if the lackluster 29-member FTAA moves on without them.■

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OP-ED

Of Ideological Convergence and Power in Nicaragua

Manuel Orozco

To the untrained eye, the Nicaraguan political process seems to suggest that a crisis of legitimacy and political instability is clouding the country just as presidential elections are approaching in 2006. However, muscle flexing is what prevails between two ideologically opposed traditional political machines, resistant to adapt to democratic change and choosing instead short-term arrangements, with weak elite consensus. The end result is a struggle over control of political power, short-term ideological convergence, and substantive undermining of democratic institutions.

The government of Enrique Bolaños is the focus of the struggle over political control in Nicaragua by the two leading political elites, the Sandinista National Liberation Front (FSLN) and the Constitutionalist Liberal Party (PLC). The country is faced by two parallel powers, a legitimately elected government on one hand, and on the other a political elite comprised of a mixed matched machine of Sandinistas and Liberals that is resistant to adapting to the rules of democracy.

In order to revert this situation, it is important to support opposition against the two parties, increase a risk-taking spirit among political elites to defend democracy, question the Cold War ideological scheme and promote a truth commission.

Of *Caudillos* and Democracy

The current political discourse has trivialized the extralegal agreements between Arnaldo Alemán and Daniel Ortega as an act between *caudillos*, or political strongmen. In the long term, this situation distracts Nicaraguan society from the real meaning of these accords. Recent actions, in addition to the five-year old political pact, reflect above all a power sharing conflict in the long term by the two main political institutions in the country: the Liberal Party and the Sandinista Party.

The political and institutional intelligentsia has designed a scheme of short-term agreements. Breaking that structure is key to political change.

The danger of these accords is not that *caudillos* are reconfiguring the constitution to share power, but that the Sandinistas and the Liberals together have come to constitute a single force in the country arriving at an ideological convergence, sacrificing the principles of their parties for a power sharing arrangement.

This ideological convergence is the biggest danger for Nicaragua: in the last four years, there have been no significant social reforms. Instead, the exclusionary accords—which are divorced from the popular will—have prevented any such reforms and exacerbated abuses of authority.

A Spirited Civil Society

Nicaragua has had a structurally weak civil society and relatively few social protest movements. Beyond labour and student movements, there has been very little social mobilization in the country since 1990. A militant social movement that includes all social classes would be a key way to respond to the violations of constitutional rights in Nicaragua and the use and abuse of the Nicaraguan public. This alternative requires a decisive and contentious response to political and social injustices, one that brings together not only intellectuals and the middle class, but also a social uprising that questions the legitimacy of traditional politicians and their parties.

Political Risk

But this social movement must be accompanied by national elites prepared to stop theft and abuse. Such a risk does not refer to the work of the government in fighting against the two parties, but instead to a wider force of social groups who question the parties' source of power and their reforms.

This questioning first requires increased dissent within the Sandinista and Liberal parties. Internal intimidation has contributed to silencing the protests for internal reform. Political dissidence by Herty Lewittes and Eduardo Montealegre are manifestations that need greater support to an anti-pact movement. Second, independent leaders should assume the risk of delegating to other leaders the authority to head the democratic fight and to protest political injustice at the cost of expulsion or sanctions. The fragmentation of political authority in Nicaragua has been a typical practice: leaders that emerge are eventually eliminated as a result of the absence of an agreement among elites that delegates representation in an authority that reflects trust among these groups.

Moving Beyond Cold War Rhetoric

The problem of the internal political crisis in Nicaragua is also associated with its international position and its relationship with the United States. The United States continues to view its policy towards Nicaragua through the prism of the

Cold War. While the world has changed radically, US policy towards Nicaragua still demonizes the Sandinistas. The US is not worried about the content of the pacts, but rather what will happen if the Sandinistas win the election and communism returns to the region.

The Nicaraguan political elites also still view the country in terms of sandinismo and anti-sandinismo. The Sandinistas have used anti-American rhetoric as a way of steering their political agenda. The anti-Sandinistas use the spectre of Sandinismo and communism as the greatest threat to the country. The real threat to Nicaragua thus lies not in ideology but in the refusal to recognize or confront current problems that have emerged since the Cold War era.

A Truth Commission

Nicaragua is a deeply polarized country with a high level of social fragmentation and political obstruction that has been manifested in social distrust and resentment. Bitterness and resentment that predominate in many social sectors are linked to the legacy of the civil war. To the extent that these injustices are not attended to and remedied, this resentment will continue and will foster violent conflict or a state of political inertia.

Confronting the past means telling the story of human rights violations against all sides, demonstrating the injustices committed against thousands of people, and validating the experience of having suffered abuse. Nicaragua needs to know the past and make it public, and it needs justice. This is one of the few countries in the world that has lived through a civil war in which past human rights violations were not investigated. Instead, it approved two amnesties to protect the army and the rebels. ■

Political Composition of Key State Institutions in Nicaragua

Institution	Name	Party
Bank Superintendency	Victor Urcullo	PLC (Somoza)
	Alfonso Llanes	PLC (Alemán)
Intendency Insurance	José León Sánchez	
Securities Commission	Alberto Gallegos	PLC (Alemán)
Human Rights Ombudsman	Omar Cabezas	FSLN
	Adolfo Jarquín Ortel	PLC (Alemán)
Comptroller General	Guillermo Arguello Poessy	PLC (Somoza)
	José Pasos Marciac	FSLN
	Luis Angel Montenegro	FSLN
Supreme Electoral Council	Roberto Rivas	PLC (Church)
	Emmet Lang	FSLN
	René Herrera	PLC (Alemán)

Manuel Orozco is Senior Associate, Remittances and Rural Development at the Inter-American Dialogue, Washington D.C.

The 2005 Argentine Elections

Mark P. Jones

On October 23, elections were held in Argentina to renew one-third of the National Senate, one half of the National Chamber of Deputies, and one half of the provincial and municipal legislatures in many provinces. These elections went a great way towards assisting President Néstor Kirchner (elected in 2003) of the Justicialist Party (PJ, Peronists) in achieving the goal of consolidating his power both within the governing PJ as well as vis-à-vis the Congress.

Every province (24 total) is represented by three senators, who renew their mandates simultaneously every six years. Senators are elected from closed party lists, with the party that wins the plurality of the vote receiving two seats, and the first runner-up one. Every province has a number of deputies (minimum of five) proportional to its population (based on the 1980 Census). The provinces renew one-half of their deputies every two years. Deputies are elected from closed party lists (four year terms), with seats allocated using proportional representation.

Political party lists are created, and inter-party alliances are structured, at the provincial level. The governing PJ presented lists throughout the country's provinces under a variety of names (e.g., Justicialist Party, Front for Victory) and in alliance with a host of different parties, including the country's principal opposition party, the Radical Civic Union (UCR), in several provinces. In numerous provinces, multiple PJ lists competed against each other, most commonly with one PJ list being backed by Kirchner (often using the Front for Victory label) and the other(s) backed by Kirchner opponents or neutral Peronists within the PJ in the province.

The most noteworthy intra-PJ clash took place in the Province of Buenos Aires (PBA), where 38% of the Argentine population resides. Since 1991, the PBA had been the fiefdom of Eduardo Duhalde, who as President (2002-2003) was the principal supporter of President Kirchner's 2003 candidacy. During his first two years in office, Kirchner maintained a tacit alliance with Duhalde

under which the latter supported Kirchner in national-level affairs and Kirchner did not interfere with politics in the PBA. This past July however, Kirchner, chafing at the continued political power wielded by Duhalde, broke with him and challenged Duhalde's party machine in the PBA in the October 23 elections.

Kirchner's bold challenge proved to be extremely successful. The PBA was one of eight provinces renewing its three senators. The PBA senate race was the marquee battle of the day, featuring Kirchner's spouse (Santa Cruz Senator Cristina Fernández de Kirchner) running under the Front for Victory banner versus Duhalde's spouse (former Deputy Hilda "Chiche" González de Duhalde) running under the Justicialist Front banner. "Cristina" soundly defeated "Chiche" (46% to 20%), thereby strengthening Kirchner's control of the PJ at the national level (and in the PBA) and destroying Duhalde politically. Less than a month after the election, Kirchner had become the PBA's new boss and Duhalde and his supporters had ceased to exist as a relevant political force. In fact, in the fortnight following the election, most Duhaldistas metamorphosed into Kirchneristas, following the underlying logic that drives the behaviour of most Peronists: "he/she who wins, leads" (*quién gana conduce*).

As mentioned above, members of the governing PJ ran on numerous party lists (often competing among themselves) throughout the country. The PJ (including a handful of non-Peronists placed on the Peronist lists at the behest of Kirchner, as well as a handful of anti-Kirchner Peronists) won 21 of the 24 Senate seats and 78 of the 127 Chamber seats. A very fragmented non-Peronist opposition won the remaining seats. The UCR garnered the 3 remaining Senate seats as well as the largest number of Chamber seats (20), with only two other parties winning 5 or more seats in the Chamber: Affirmation for an Egalitarian Republic (ARI) and Republican Proposal (PRO) each won 9 seats.

The combination of the PJ's electoral success and Kirchner's destruction of the Duhalde political machine insured a Congress that would be dominated by a PJ delegation responsive to President Kirchner as of December 10 when the newly elected officials assumed office. Approximately 45 of the 72 senators and 140 of the 257 deputies can be considered Kirchner supporters (as long, of course, as Kirchner continues to manage the copious amounts of financial resources that are the life-blood of politics in the provinces).

Opposite a PJ that grew more hegemonic by the day was an increasingly fragmented opposition. The traditional opposition to the PJ, the UCR, is a shadow of its former self, possessing a mere 17 senators and 40 deputies (after the December 10 renovation). While six UCR governors and over 200 mayors make the UCR the country's only other party with an effective national organization, the growing number of UCR governors, mayors, and legislators who have declared themselves Kirchner supporters has undermined the UCR's ability to function as an effective opposition party.

The remaining senators are divided among a host of minor parties, none of which holds more than two. The remaining deputies also are spread among a multitude of minor parties, with only one—ARI, with 13 seats (5% of the

Chamber)—possessing more than a dozen seats. As a consequence of this fragmentation, it is clear that the only potential opposition to the governing PJ of President Kirchner lies within the PJ, not among the opposition parties, which are weak as well as hopelessly divided. Along these latter lines, while some have observed that the PJ/Kirchner backed lists were defeated on October 23 in three of the four most populous provinces after the PBA, it is important to note that the victorious candidate/party in each province was different (the PRO of Mauricio Macri in the Federal Capital, the Socialist Party of Hermes Binner in Santa Fe, and the UCR of Julio Cobos in Mendoza). Furthermore, both Binner and Cobos have publicly declared themselves to be Kirchner sympathizers.

As the smoke from the October 23 elections clears, the image that emerges is one of a hegemonic PJ under the firm control of President Kirchner and a divided and fragmented opposition, many of whose most prominent members consider themselves to be Kirchner allies. However, since politics in Argentina has little to do with ideology and programmatic public policy proposals and everything to do with populism and patronage, Kirchner's current dominance of the Argentine political system will continue only as long as he has access to the ample financial and material resources that are necessary to retain the loyalty of the all important provincial—and municipal—level PJ (and other) party machines throughout the country. As a consequence, when Argentina again experiences an economic downturn—which will also negatively affect Kirchner's level of popular support—President Kirchner's current dominance will cease and his ability to govern effectively will be seriously challenged. It is unclear however if this economic downturn will take place prior to the fall (boreal) of 2007 when Kirchner is eligible to run for re-election, or shortly thereafter in 2008.■

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Prospects for the CARICOM Single Market and Economy

W. Salas Hamilton

As the deadline for CARICOM Single Market and Economy (CSME) implementation looms imminently, the Caribbean Community (CARICOM) and the world look on with much interest. Much of the heightened observation is steeped in the context of whether this milestone can be achieved or if sardonic gleams of satisfaction will beam from the faces of regional integration skeptics.

This article intends to give a brief update on the CSME and to posit that this initiative and the path to regional integration are largely linked to the aspirations of the Community's peoples. It is also articulated that these aspirations are greatly influenced by communication and cultural linkages, or lack thereof. Therefore, the road towards successful implementation of the CSME is a complex one and includes the most challenging element of changing the mindset and will of the people of the Caribbean.

Much emphasis has been placed on inter-regional trade, perhaps to the detriment of really connecting the community. In fact, there have been regional trading arrangements in place, first heralded by the Treaty of Chaguaramas signed in 1973, which created the Caribbean Community and Common Market. However, the vision and ideals of a Caribbean Community were waylaid by national interests, Cold War dynamics and many socio-economic issues. In this context, the agreement signed in 1989 in Grenada by CARICOM leaders to forge a CSME by the early 1990s was ambitious, albeit necessary and visionary.

A simple definition of the CSME would be: a single, seamless economic space where CARICOM populations can conduct business as though they were operating in a single country. CARICOM nationals must be treated as nationals of the member state they choose to reside or do business in. At the present, Barbados, Trinidad and Tobago, Jamaica and Belize (with the exception of a few remaining restrictions) are basically single market-ready. The single market is expected to be in place by January 2006 while the single economy is scheduled for 2008. The single economy can be seen as a unified, harmonious and coordinated application of monetary, fiscal exchange rates and foreign policies by member states.

For its part, the single market allows for the free movement of goods, services, capital and persons and the right of establishment (free exercise of the right to set up businesses in any CARICOM State participating within the CSME). This involves the creation of support institutions such as the Caribbean Court of Justice, which was inaugurated earlier this year; the CARICOM Regional Organization for Standards and Quality (CROSQ), which operates out of Barbados; the Regional Development Fund (still being worked on); and the Agreement on Social Security (already in place).

Other key elements necessary for the single market are the facilitation of travel, a regional accreditation body and the ever critical public education and marketing for stakeholder buy-in. Public education continues to be a major challenge since it requires resources at the national and regional level to communicate with all levels of society. This is further hampered by the lack of significant regional media programming and cultural linkages.

Twelve of the 15 CARICOM member states are actively participating in the CSME: Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago. The Revised Treaty is ratified in all 12-member states although Guyana, Grenada and Dominica have yet to enact the Treaty into domestic law.

Five categories of persons are allowed to travel and seek employment without a work permit under the CSME arrangements: university graduates, media workers, sports persons, musicians and artists. A sixth category was added to include entrepreneurs, defined as persons or companies moving to create employment or provide a service. Managerial, technical and supervisory staff of companies are also allowed to move without work permits. Statistics at present show a limited number of these categories moving to seek employment. Therefore, much of the fears of job dislocation through the CSME in its present form are unfounded. Most states have implemented legislation for the free movement of graduates. In 2006, CARICOM heads of government are expected to approve new categories of persons who will be eligible for free movement.

The aspect of free movement of skills via the CSME is possibly the most discussed and misunderstood. There is the fear of fellow CARICOM nationals entering markets to take away jobs, and twinned with this fear is the task of getting businesses and persons to "think regional instead of national". CARICOM nationals must now see states participating in the CSME as their space to seek employment, buy and sell goods, deliver and receive services,

travel without hassle. Changing thinking, understanding the need for establishing a regional platform to face the global labyrinthine and harsh economic reality are the tasks at hand for national and regional institutions, civil society and everyone.

Three CARICOM states started issuing CARICOM passports this year: Suriname, St. Vincent and the Grenadines and St. Kitts and Nevis. Others are expected to follow when existing stocks expire. The CARICOM passport is the national travel document issued in a regional format, so it remains the responsibility of the country. It is intended to give the psychological feeling of belonging to a Caribbean Community, just as is the facilitation of a single immigration line for CARICOM nationals and residents at ports of entry. All member states have such a single line in place.

The CSME is a work in progress. Some elements are already in place; these aspects are there for the Community to exploit. There will be no loud bang on January 1, 2006, but the date may just set a wake-up call in motion. The world understands the need for creating and joining blocs or be blocked out of competitiveness within trading arrangements. The CSME has upped the ante in the integration movement, and though not a panacea for every economic ill, it continues to be the best alternative to paddling alone in choppy waters.

CARICOM countries are signatories to the World Trade Organization and support the Free Trade Area of the Americas even though negotiations are currently at an impasse. These arrangements are already committed to and the CSME remains the front for operating as a community within a globalized space.■

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Convergences and Divergences between the Summits of Indigenous Peoples and the IV Summit of the Americas

Julieta Uribe

In the past weeks, the agenda of the American continent was full of activity, with three summits on the schedule. The first one, the II Summit of Indigenous Peoples of the Americas in Buenos Aires, Argentina took place from the 27 to the 29 of October; the second one, the Continental Summit of Indigenous Organizations and Peoples, was held in Mar del Plata from October 30 to November 1 within the framework of the III Summit of Peoples; and finally, the IV Summit of the Americas, the meeting between the 34 elected heads of state and government of the hemisphere, also held in Mar del Plata November 4 and 5.

All these summits had the objective to achieve a hemispheric integration that would be attentive to the petitions of the American peoples. Even the II

Summit of Indigenous Peoples of the Americas, despite the divisions between Indigenous representatives from the North and the South of the continent, finally agreed on key demands for the protection of the rights of Indigenous Peoples. Nonetheless, each summit differed on the best perceived ways to achieve integration.

The Continental Summit, which was organized by the Argentine Indigenous Commission of Lawyers (among other Indigenous organizations) and whose motto was "Another America is Possible", was mainly characterized by the resistance it showed toward the II Summit of Indigenous Peoples due to Canadian involvement in the organization and to the alleged existence of economic interests from the Canadian government regarding the economic integration of the Indigenous Peoples. Participants in the Continental Summit argued that the intention of the Assembly of First Nations of Canada and the Argentine Indigenous Nations and Peoples Organization in organizing the II Summit of Indigenous Peoples of the Americas was to divide the American Indigenous movement.

The Continental Summit also opposed the IV Summit of the Americas, and focused its attention in the total rejection to free trade policies as a way to achieve hemispheric integration. In this sense, the II Summit converged with the Continental Summit and both summits on Indigenous peoples agreed on the following claims:

- The right to self-determination of Indigenous Peoples with respect to political organization and economic, social, and cultural development;
- To have the military withdrawn from Indigenous territories in Latin America;
- The right to prior and free consultation with states and national and multinational enterprises regarding concessions on their lands, territories, and resources;
- The recognition of their lands, territories, and resources as their property;
- The recognition by states of the existence of multicultural and multiethnic societies within them;

- The recognition and legal protection of intellectual property of Indigenous Peoples within a plural, legal framework;
- The adoption of the *American Declaration on the Rights of Indigenous Peoples* in the framework of the Organization of American States (OAS) as a way to strengthen the coexistence of the peoples of the continent;
- The ratification of International Labor Organization (ILO), *Accord 169* referred to as the *Tribal and Indigenous Peoples in Independent States* from the whereby the collective rights of Indigenous Peoples are recognized.

In sum, Indigenous Peoples consider that their lands, territories, and resources imply absolute property rights, and that Indigenous Peoples have the right to use, enjoy, and decide upon them according to their own regulations and customs. Those property rights entail immutable rights. The main claim of Indigenous Peoples, in this sense, is the restitution of their lands and territories, as well as the protection of their natural resources through previous, free, and informed consultation.

The Declaration of the Continental Summit stands in opposition to the IV Summit of the Americas and demands that legal procedures initiated in some states against Indigenous leaders for exercising their autonomy be abandoned. Participants in the Continental Summit also expressed support for the Zapatistas in Mexico, who are currently fighting to defend and implement their collective rights.

The Continental Summit rejected the states' conception of poverty, which they argue is based on a purely economic perspective rather than an integral and holistic vision of development and excludes the lifestyle and beliefs of Indigenous Peoples. The vision of development underpinning this summit was based on solidarity among human beings and a deep respect for Mother Earth. In this sense, the Continental Summit argued that the economic opening to national and international markets as a way to fight poverty and achieve democratic governance involves exploiting the resources of Indigenous Peoples and negatively impacting their life and culture. Likewise, it rejected the economic model endorsed by participants in the IV Summit of the Americas, which promoted the creation of jobs as a way to fight poverty and strengthen democratic governance.

At the IV Summit of the Americas—which was mainly characterized by the divisions between those countries who support the Free Trade Area of the Americas (FTAA) and those who do not, OAS General Secretary José Miguel Insulza explained that the governance crisis currently affecting Latin America is caused by in part by high indexes of poverty and unemployment. Combating this situation and creating jobs thus requires the participation of a dynamic and productive civil society and private sector. In this regard, Insulza considered that market forces are not enough to ensure a fair distribution of wealth or meet social needs and spoke of the need to include corporate social responsibility in national legal frameworks.

The heads of the state and government participating in the IV Summit of the Americas acknowledged the claims voiced at the II Summit of Indigenous

Peoples of the Americas. Indeed, the Declaration and the Plan of Action of the IV Summit of the Americas reflect states' commitment to ensure equal employment opportunities for Indigenous Peoples by eliminating any kind of discrimination in obtaining a job or in remunerating their work. States will also ensure full participation of Indigenous Peoples in national activities through further approval of the *American Declaration on the Rights of Indigenous Peoples* and through continuous dialogue with Indigenous Peoples.

It is worth mentioning that the Indigenous Peoples' concepts of lands and territories still has to be recognized in most countries' domestic law as well as in public international law at the regional level. In this context, the *Universal Declaration on the Rights of Indigenous Peoples* enacted by the United Nations (UN), as well as the *UN Permanent Forum on Indigenous Issues*, constitute the minimum standards to ensure the survival, dignity, and welfare of the Indigenous Peoples of the world. In the OAS, a working group is currently negotiating the proposed *American Declaration on the Rights of Indigenous Peoples*. Efforts are also made to constitute a permanent forum on Indigenous issues that would guarantee the protection of the rights of Indigenous Peoples, particularly the restitution of lands and territories and the creation of a dignified existence for Indigenous Peoples of the continent. All these reflect the trust that the Indigenous Peoples place in instruments of public international law which guarantee their inherent and inalienable rights. Ultimately, justice should prevail in upholding the inherent rights of Indigenous Peoples and in ensuring pacific coexistence of indigenous and non-indigenous peoples of the Americas. ■

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The Ibero-American General Secretariat: A starting point for coordinated policies on Cuba?

Susanne Gratius

Only a coordinated policy between Spain and the United States, the two main international actors in Cuba, can foster a peaceful transition to democracy and national reconciliation on the island. The prospect for a harmonization of policies between the two principal champions of democracy in Cuba is dim. Indeed, the competing agendas of Spain and the US, as reflected by their respective foreign policies and multilateral fora—the Ibero-American Community, the European Union (EU) and the Organization of American States (OAS)—have contributed to the political and economic consolidation of Fidel Castro’s regime.

The XV Ibero-American Summit in Salamanca did nothing to challenge this assessment. The recently created Ibero-American General Secretariat (SEGIB), headed by Enrique Iglesias, could serve as a liaison between the Ibero-American Community, lead by Spain, and its US-dominated counterpart, the OAS, led by Chilean José Miguel Insulza both at the personal and institutional levels. However, SEGIB’s mandate does not include a common agenda on the Cuban issue and its interest in the matter is limited.

Spain, Cuba and the Ibero-American Summits

The primary outcome of the Salamanca summit, held on October 14–15, 2005, was the inauguration of the SEGIB, whose mission is to “raise the community’s international profile”. The transformation of a cultural community into a political alliance entails the sharing of similar systems and values, among other factors.

Because democracy is a recurring theme for the Community, addressing Cuba’s authoritarian regime is an ongoing issue. As with all of the previous summits, much of the media attention in Salamanca focused on Cuba, first owing to Fidel Castro’s absence and, second, to the resolutions condemning the US “blockade” and supporting the extradition of Cuban “terrorist” Luis Posada Carriles.

The fact that the Cuban issue is a theme for discussion at every Ibero-American Summit reveals the failure of the 22 member nations to resolve the question. In contrast to the OAS or the Rio Group, participation in the Ibero-American Community is not contingent upon a democracy clause or condition. As a result, Fidel Castro or the Cuban foreign minister are able to attend annual meetings with the sole objective of seeing Cuba’s national interests (above all condemnation of the United States) reflected in the final resolutions. Cuba, for its part, has endorsed all of the politically sensitive points, including the commitment to representative democracy embedded in the Viña del Mar (1996) and Margarita Island (1997) declarations.

Given that Enrique Iglesias’ mandate depends on the directives of the member countries, and that the Ibero-American Community lacks a democracy clause, neither the current situation in Cuba nor a future transition

is on the Ibero-American General Secretariat’s political agenda. However, it is a topic of interest to Spain for historical and national reasons (which vary along party lines).

Spain, which contributes 80% of the Community’s budget, is not only the leader and originator of “Ibero-America”, but is also the only remaining intermediary between the EU and Latin America. As a result, Spain has two platforms from which to address the topic of a Cuban transition. Nevertheless, to date Spain has not used these fora to build a consensus on a policy to promote change in Cuba, but rather, to put on its national partisan battles.

The United States, Cuba and the OAS

Something similar is occurring in the US, which succeeded in having Cuba excluded from the OAS in the 1960s. The United States, like Spain and perhaps even more so, has its own political and economic interests in Cuba. Moreover, the US has to respond to the demands of the influential Cuban-American lobby, whose very existence revolves around the existence of the Castro regime and the maintenance of the sanctions against it. Because of its domestic agenda the United States has opted for a unilateral path, at least on the Cuban issue. This contrasts with Spain, whose foreign policy is based on using multilateral arenas to further national objectives, Cuba being an emblematic case.

Furthermore, the US has lost influence in the OAS, the principal multilateral forum in the hemisphere. The recent election of Insulza as Secretary General, whose candidacy was not backed by the US, is evidence of this. Add to this the political support Castro receives from his alliance with Hugo Chávez and other regional governments, and discussion of the Cuban issue in this multilateral venue becomes rather unattractive.

When Brazil proposed a renewal of the Cuban debate in the OAS a few years ago, the US rejected it for fear that Canada and a majority of Latin American countries would declare themselves in favour of readmitting Cuba. Since then, the topic has not been tabled for discussion in the OAS.

Poor prospects for a coordinated policy

Despite these obstacles, as the scenario of a Cuba without Fidel Castro draws near, a push for a quiet coordination between both fora would be desirable. Because the SEGIB and OAS are dominated by the two major foreign influences on Cuba, they would be the ideal agents to initiate a trilateral dialogue among the United States, Spain/the EU and Latin America, particularly to promote a democratic opening in Cuba and avoid a violent denouement.

From this perspective, it would be advisable that Iglesias and Insulza initiate an informal and discrete debate on the topic to pave the way for future cooperation between the SEGIB and the OAS. However, the probability of forging a common agenda is slight. The government of José Luis Rodríguez Zapatero favours a dialogue of constructive criticism with Castro, whereas the George W. Bush administration has minimized contact with Cuba and recently appointed a Cuba Transition Coordinator. In light of these factors, this does not seem to be the opportune moment to initiate transatlantic dialogue on the topic. ■

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Editorial

Mar del Plata Post Mortem and New Challenges

John W. Graham

About six years ago, on the first occasion that Civil Society was invited to observe a General Assembly of the Organization of American States (OAS), the president of the host country made a statement along these lines in what was an otherwise welcoming address. “Some of you”, he said looking over the assembled crowd, “have civil societies, but in my country we have an uncivil society”.

Because what is happening to our Inter-American process is alarming and because the engagement of civil society must sometimes be critical in order to be constructive, some of these remarks may fall into the uncivil category.

Despite excessively utopian Declarations, long and usually under-funded Plans of Action, and clouds of tear gas (Quebec City was, in fact, much worse in this respect than Mar del Plata), the Summits of the Americas have helped to knit the hemisphere together in common purpose. Summits reach into neglected areas, highlighting needs and infusing priorities with urgency. Mar del Plata's action plan was actually tighter and more focused than many of its

predecessors. Two positive examples are the attention given to indigenous peoples and the need for sustainable and democratic decentralization.

Inevitably, not all summit initiatives have had the traction that their authors expected. As we all know, trade – in particular the Free Trade Agreement of the Americas (FTAA), launched optimistically 11 years ago—has become a source of division, not cohesion. Education, the central theme at Santiago, has not prospered, with public education levels deteriorating in the majority of hemispheric countries.

On balance the summits have provided a positive impulse to the hemisphere. Not the least of their values have been the opportunities for heads of state and heads of government to develop personal relationships—something that is not listed in the action plan but that facilitates problem-solving telephone calls.

Since 1994, FOCAL has observed four full Summits and one Special Summit. This last one, notwithstanding a cluster of useful results, was unquestionably the least successful, a point which might be discreetly left unsaid if it were not for the potentially damaging implications for the Inter-American system.

What went wrong?

The easiest answer is that the distemper at Mar del Plata was the result of hemispheric abrasions and a lack of commitment to constructive objectives. From this perspective, the host government, which devoted enormous energy and expense to the occasion, cannot be faulted. Summit disarray was a reflection of hemispheric disarray.

But this is a partial explanation.

Another was the absence, in advance of the Summit, of forward-looking and credible leadership. There is a leadership void. The traditional hemispheric leaders (the US, Mexico and Brazil) are otherwise engaged or distracted. American leverage has never been so diminished. The one serious attempt to exercise Pan-American leadership comes from Hugo

Chávez, an increasingly effective —if not exactly consensus building— international operator and exploiter of resurgent anti-Americanism. Although the vast majority of summit leaders still preferred the concept of the FTAA, the opponents effectively blocked any real progress along this road.

To add a Canadian parenthesis, President Bush's and Prime Minister Martin's advocacy of the FTAA would have appeared more convincing in Mar del Plata if Mr. Bush's government would honour the binding arbitration mechanisms of the North American Free Trade Area.

The omens preceding the Summit were not promising. Six Caribbean Prime Ministers, almost one half of the English-speaking Caribbean, feeling marginalized or irrelevant to the polarizing conflicts in the wider region, decided not to attend.

The unavoidable difficulties and challenges at Mar del Plata were dysfunctional enough in themselves. Unfortunately, the host government made little effort to overcome these difficulties. The Argentine government appeared to be pursuing two simultaneous and incompatible policy directions: one was to host an effective Summit and the other was to appeal to a domestic constituency by ensuring that the Summit would fracture on obduracy toward the US and inflexibility on the FTAA.

For many—especially at the anti-Summit—the perils of isolating the United States from regular dialogue through the Inter-American system were overtaken by the prospect of minimizing the uncomfortable asymmetry of a hemisphere that includes the United States.

Asymmetry was a popular word in Mar del Plata.

It is most unlikely that Enrique Iglesias has neo-imperial ambitions, but his revitalized Ibero-American system represents a seductive alternative to those preoccupied with asymmetry, replacing the United States with Cuba, Spain and Portugal and dropping Canada and the Caribbean in the process.

The dangers evident in Mar del Plata were that the Summit process is losing momentum and that its survival may be at risk, but it may be that a glimpse of the wreckage and its implications may be reawakening awareness of the value, as well as the fragility, of our inter-American system.

Another area where change would be welcome is the relationship between civil society and the summit process. FOCAL and other civil society partners have recommended changes which would help to avoid some of the confusion and frustration experienced by civil society organizations at Mar del Plata and to a lesser extent at Monterrey. The General Assembly system under the control of the OAS works better, but could also benefit from some of these suggestions:

- The process for selecting the number and order of those who will address the summit delegations should be open and transparent.

- Guidelines should outline specific criteria about who is eligible to speak and the selection process. Criteria should include factors such as regional representation, gender equity, and ethnic diversity.
- Delegations should take the civil society-heads of delegation meeting seriously. Rarely do more than a third of foreign ministers participate and even more rarely do their interventions relate to what has been said by civil society representatives.
- The host government, in collaboration with the OAS, should arrange opportunities, following the dialogue with heads of delegations, for civil society representatives to meet the media.
- A complementary session should be organized for dialogue between civil society and senior officers of the different departments of the OAS.
- To ensure consistency, the system for civil society participation should be vested in the OAS rather than the host government.

Division and hollow rhetoric threaten the viability and perhaps even the continuity of a Summit process. We should be equally concerned about the survival of the Summits' central delivery system—the OAS. It is not possible to overstate the importance of securing the finances upon which the OAS and the wider inter-American system depend. The solvency and therefore the sustainability of the OAS are at serious risk.

The Plan of Action at Mar del Plata does charge members to ensure that the OAS and other hemispheric organizations have the financial capacity to implement Summit commitments. But the language is tepid and the message is all but lost among the other 69 action items. Besides, and unfortunately, finance ministers do not attend the Summits.

With non-discretionary expenditures assuming a growing proportion of the budget and with a quarter of the membership in arrears, the OAS is moving toward paralysis when all funds from the regular budget are assigned to salaries and pensions leaving nothing to discharge its mandate except voluntary contributions. At the centre of this quagmire is the refusal of too many member states to come to grips with quota

reform. Quota adjustment is an essential part of reform, but not the most important part. The OAS needs a formula like the United Nations' (UN). While legally bound to pay its employees at UN rates, it has so far failed to obtain agreement that annual quotas would be automatically adjusted by a formula of cost of living increments. It is this formula that allows the UN to survive and it is without this formula that the OAS slides toward insolvency.

The noise and anguish about money suggest that the OAS budget must be in the multiple billions. Far from it. At about \$76 million for the regular budget, in Canada we are talking about the annual costs of a small university.

A solution is important because the OAS has a significant role. No regional organization outside Western Europe has struck out so boldly for the values of democratic governance. The OAS has created a fabric of rules and jurisprudence that has helped to change the patterns of governance and insulate member states from the perils and temptations of military and non-military coups. At their best the OAS and the Summit system nudge the region toward better governance, greater accountability and make it give more attention to the nightmare of drugs and to human rights abuses. It has been and should remain the hemispheric damage control agency. To accomplish this, the OAS needs reliable funding and solid commitment from its members.

With a preponderance of rational governments and reasonable leaders, it is difficult to imagine how the hemisphere can place these assets in jeopardy.

As a generally rational government, where does Canada stand in relation to these challenges? The Prime Minister and the Canadian delegation performed well at Mar del Plata. They worked a difficult crowd and cajoled consensus on several fractious issues. A useful resolution on support for Haiti was agreed. They may have helped to prevent the damage to the Summit process from becoming a mortal wound. Unfortunately, this top-level attention is spasmodic and Canada's overall relationship with Latin America

and the Caribbean is eroded by failure to attach consistent priority to the region.■

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FOCAL Events

Mexico at FOCAL

FOCAL convened the conference *Where are we Going? Canada and Mexico Looking Beyond 2006* last November 24, with sponsorship from Foreign Affairs Canada (FAC), Mexico's Secretaría de Relaciones Exteriores (SRE), the Instituto Tecnológico Autónomo de México (ITAM) and the Centre for North American Politics and Society, Carleton University. The conference was inaugurated by Peter Harder, Deputy Minister, FAC and Gerónimo Gutiérrez, Under Secretary for North America, SRE. This day-long event gathered an important number of high level public officers, academics, representatives from the Canadian private sector and influential personalities from Canada and Mexico.

The purpose of this activity was to foster dialogue between stakeholders from both countries on domestic policy issues that could impact the bilateral relationship and to identify ways to strengthen it. Participants presented their positions and discussed their points of view on various themes including foreign and economic policy, the perception of each country as reflected in the other's media, and governance.

This event also envisioned the importance of incorporating the foremost political actors in determining the future of the relationship after 2006—the political parties. The exercise thus featured senior representatives from the National Executive Committees of each of Mexico's major political parties—the National Action Party (PAN), the Institutional Revolutionary Party (PRI) and the Party of the Democratic Revolution (PRD)—who presented their platforms on foreign and

ERRATUM

An error was made in the October edition of FOCALPOINT in the article "The Social Conflict in the Ecuadorian Amazon" written by Karen Andrade, Paul Cisneros and Guillaume Fontaine.

On page 7, the third sentence of the third paragraph reads:

"The official cost of these three days of strike was estimated at US\$360 billion [...]"

It should instead read:

"The official cost of these three days of strike was estimated at US\$360 million [...]"

Our sincere apologies for any inconvenience this may have caused.

economic policy side by side, the first such occurrence outside Mexico. Were also present representatives from Mexico's Federal Electoral Institute (IFE) and from the Federal Institute for Access to Public Information (IFAI), as well as Canada's Privacy Commissioner and a representative of Canada's Information Commissioner.

A report on the conference will be released at the end of January 2006.

On November 25, FOCAL and the Centre for North American Politics and Society at Carleton University convened the conference *Looking at the 2006 Mexican Elections*, featuring Jean-François Prud'homme (El Colegio de México), Jorge Buendía (Ipsos-Bimsa) and Jon Pammet (Carleton University). Presentations in this conference focused on the internal candidate nomination processes of Mexican political parties, the analysis of the electoral race thus far based on the results of an Ipsos-Bimsa poll, and an analysis of commonalities and differences between Canada and Mexico with regards to these processes.

A report on this event, as well as the presentation given by Jorge Buendía will be made available on our web site in January.

OTHER EVENTS

Fujimori: From Fugitive to Candidate?

On December 1, 2005 a round table discussion was held at Yale University sponsored by The Council on Latin American and Iberian Studies, The Latin American Series at Yale Law School, The Orville H. Schell Jr. Center for International Human Rights, the Canadian Studies Committee, and the Yale Center for International and Area Studies (YCIAS).

A summary of the workshop is available on the web, at:
<http://weblogs.elearning.ubc.ca/peru/archives/021008.php>

RECENT FOCAL PUBLICATIONS

POLICY BRIEF: [Lessons for Cuba from the Latin America Experience.](#)

A report by the Cuban Research Institute, FLACSO-Mexico (Latin American Faculty of Social Sciences) and FOCAL (the Canadian Foundation for the Americas)
[\[http://www.focal.ca/pdf/cuba_brief.pdf\]](http://www.focal.ca/pdf/cuba_brief.pdf)

[Dialogue document](#) of a high-level meeting held at Meech Lake in September 2005 between the Haitian private sector and President of the Inter-American Development Bank, Enrique Iglesias, on the role of the private sector in supporting the Interim Cooperation Framework in Haiti.
[\[http://www.focal.ca/pdf/haiti_dialogue.pdf\]](http://www.focal.ca/pdf/haiti_dialogue.pdf)

Maintenant disponible en français

[Compte rendu](#) d'une table ronde avec le secteur privé haïtien, Lac Meech, septembre 2005. La conférence fournit une occasion unique de tirer parti de la créativité et de l'énergie du secteur qui possède, en Haïti, les compétences et la capacité nécessaires pour réduire la pauvreté et apporter une aide au chapitre de l'infrastructure humaine.
[\[http://www.focal.ca/pdf/haiti_dialogue_f.pdf\]](http://www.focal.ca/pdf/haiti_dialogue_f.pdf)



UPCOMING FOCAL PUBLICATION

Cuba's Economic Future: The Search for Models by Daniel P. Erikson

Although Cuba continues to be committed to Marxist economics, in the future the island is likely to grapple with the challenges of market-oriented reform that have been faced by a range of socialist and post-communist countries. This paper examines the paths towards reform experienced by a range of countries in the former Soviet bloc, including Russia, various Eastern European countries, and Central Asian Republics, as well as by the East Asian countries of China and Vietnam, in order to provide important perspectives on Cuba's eventual economic transition (...)

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The Canadian Foundation for the Americas (FOCAL) is an independent policy institute based in Ottawa that fosters informed analysis, 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 12 people. The Board of Directors provides a strategic guidance to the organization and its activities.

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