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## Brazil: The Good News Scandal?

Jean Daudelin

Have a quick look at Brazilian newspapers, and despair: new corruption accusations are brought daily against President Lula's closest associates, many of his supporters and allies in Congress, and a slew of Ministers, former mayors and Workers' Party (PT) officials. Some even suggest that Lula himself could be involved. The charges are extremely serious: they range from violations of electoral financing laws and systematic collection of side payments for the allocation of contracts in municipalities controlled by the party, to the payment of monthly allowances to members of Congress in exchange for their support of government initiatives. Investigations are still under way and all the accusations might not be substantiated. However, enough has already been uncovered to shatter the PT's reputation for honesty, and to mightily weaken the president and his coalition in Congress. With elections a year away, in November 2006, and more than 18 months before a new government is in place, political and economic stability in Latin America's largest, richest and most powerful country are very much under threat. Or are they?

Look beyond the headlines, or at least beyond those that regard the scandal itself, and you will be surprised. University of Connecticut's Peter Kingstone once wrote that "muddling through" was Brazil's peculiar road to democratic consolidation. One could say the same thing about the country's path to economic reform and long-term growth. And on both counts, recent news suggests that muddling through is working wonders.

Because of the scandal, a certain left for whom "formal" democracy and legality are but means to supposedly higher ends, is losing its last major battle and its most promising champion in José Dirceu—who as the now former head of the "civil cabinet" oversaw all of the non-military affairs of the government. The old-style, clientelistic crowd in Congress, while not as soundly defeated, is also losing ground and much credibility with the resignation of Severino Cavalcanti, President of the Chamber of Deputies. The opposition, moreover, appears uninterested in demagogically exploiting the situation. It has in fact worked to ensure that the foundation of the government's economic policy was preserved and has largely spared Lula himself. *De facto*, an informal "national unity" government is in charge, effectively managing to insulate core institutions and policies from the scandal.

Obviously, such "unity" can only hold until the end of next spring, when the election campaign will seriously get underway. At this point, José Serra, of Fernando Henrique Cardoso's Brazilian Social Democracy Party (PSDB), looks bound to win the next elections, and the party and its allies should also make significant gains in Congress. This would mean more of the same on the economic and social front, although perhaps less rethoric in foreign policy. The current opposition thus has

nothing to gain from the destruction of the successful adjustment plan that was started by then Finance Minister Cardoso's Real Plan in 1994, a plan that the PT has basically carried on. This explains the relative moderation of current attacks against the government, something that will admittedly vanish as elections approach.

The sheltering of economic policy appears to have been understood by financial markets, both domestic and foreign. Not only has capital stayed put, but in September 2005 the government has been able, for the first time in a generation, to sell a significant number of national currency-denominated ten-year bonds (US\$1.5billion), a stupendous show of confidence given the political context.

Still, while chances are good that the country will come out of current troubles stronger both politically and economically, important risks remain. One is that Lula himself be implicated in the scandal too early, forcing him to resign. The current vice-president is weak, he has no real political stature, and his party is small and some of its members have also been involved in the scandal itself. Another risk is that Lula, once it becomes clear that his chances of re-election have vanished—which could be very soon—loses the nerve he has shown to sustain economic reforms, and veers towards a more populist path, an option towards which he is being strongly prodded by his neighbour to the North, Hugo Chávez. This is a real danger, but constitutional changes adopted at the end of Cardoso's second mandate have significantly curtailed presidential powers in Brazil. In addition, Lula's ability to sway Congress is shrivelling by the hour, his hold over his own party is growing shakier, social mobilization in his favour is unlikely and military support for an executive take-over unthinkable.

The real danger might in fact come from outside Brazil's borders, as the government's ability to deal with an unexpected external shock becomes extremely limited: securing a *de facto* passive agreement on the domestic policy status quo is one thing; devising and implementing a response to major external disruptions is another one altogether. Here, a bit of luck would be handy. With that proviso, the current scandal could prove to be a major step in Brazil's consolidation as a stable and prosperous liberal democracy. Politicians are doing their part, let's just hope God remembers that she is Brazilian...■

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## Elba Esther Gordillo and her Future in the PRI

Joy Langston

Elba Esther Gordillo appears to have reached the end of her political career within the Party of the Institutional Revolution (PRI), but may be able to remain politically active through the 2006 campaign season. The reasons for her fall revolve around her continued battles with the former leader of the PRI, Roberto Madrazo, who has out-maneuvered the once indomitable Gordillo, and has driven her to make a choice: either leave the PRI (and risk her political capital) or fade quietly into the political darkness by staying within the party.

*La Maestra* Gordillo was the formal—and now “moral leader”—of the enormous National Teachers' Union (SNTE), whose membership is estimated at almost one million. The combination of money and manpower that the SNTE represents allowed Gordillo to rise to the second-highest leadership post within the PRI, the party that controlled the presidency for over 70 years, and remains a major player in the political scene. Gordillo ran on the same leadership ticket as Madrazo in the 2002 party elections and many believe she helped win the questionable party balloting with the work of the teachers in getting out the vote for her (and Madrazo's) ticket.

Madrazo, who is now a front-runner to win the party's presidential nomination, is believed to have promised Gordillo that in exchange for her help in winning the leadership election, he would back her quest to become the PRI's congressional whip in the 2003-2006 legislature. Madrazo also supported her bid to negotiate some important structural reforms in the fall of 2003, including the controversial fiscal reform that would have charged a value added tax (VAT) on food and medicines that had previously been excluded. Madrazo, however, reneged on the VAT reform agreement that Gordillo had worked out with the Vicente Fox administration, and in Gordillo's words, betrayed her. The SNTE leader was so reviled for attempting to negotiate a fiscal reform with the center-right National Action Party (PAN) that, with Madrazo's permission, she was

removed from the legislative leadership post through a vote of the PRI's deputies in early December 2003. She soon resigned her seat in the Chamber of Deputies and left the country, largely because of health problems.

She never forgot Madrazo's betrayal, however. Once her health improved, she returned to Mexico in the summer of 2005, shortly before Madrazo was to step down as party president to compete for the presidential nomination. As General Secretary of the PRI, Gordillo had the statutory right to succeed Madrazo, albeit only for a period of time sufficient to call new elections to select a new party president. The Madrazo faction, however, refused to allow her the option of holding the presidency, as it worried that she would remain in the post through the primary season, and use her post to frustrate Madrazo's chances at winning the PRI's nomination.

Gordillo attempted to use the Federal Electoral Court (TRIFE) to force the party to allow her to assume the presidency, or at least to oust the new party president, but this tactic failed last week. There is now a move afoot within the PRI to expel her from the party. As a result, many believe Gordillo will force the party to eject her and then use her own registered party, New Alliance to hound Madrazo during the primary, and if he wins the nomination, to support his strongest competitor in the general election.

## Canada-Cuba

Pedro Álvarez, Cuba's leading trade negotiator with US farmers and businessmen for the last four years and the current president of Alimport—a key Cuban food importing company—visited Canada between September 11 and 14. Álvarez headed the Cuban delegation that met with the Canadian wheat, grain, dairy, poultry and food-marketing corporations. He also met with Canada's Deputy Minister of Agriculture, Andrew Marsland, and Assistant Deputy Minister for International Trade, Robert Dery.

A Memorandum of Understanding was signed by Cuba's Ambassador to Ottawa, Ernesto Senti, and Canada's Ambassador to Havana, Alexandra Bugailiskis, to develop cooperation in agriculture between the two countries. As part of the most recent agreements between Canada and Cuba, York Point Farms—a major Prince Edward Island swine breeding company—has secured a CND\$5 million export contract with Cuba. This deal with Cuba is the largest breeding stock order in Canadian history.

The next Havana International Trade Fair (FIHAV), which takes place from October 31 through November 5, 2005, will be an opportunity for Canadian companies to exhibit their products and negotiate other contracts with the Cuban government. During 2004 FIHAV the US pavilion was the most visited by Cuban officials. Now that US sales of agricultural products to Cuba have diminished due to regulations imposed by the US Department of the Treasury, Canada's time may come at the 2005 FIHAV.

The question at this point is which of the two party options, the PAN or the center-left Party of the Democratic Revolution (PRD), will offer the union leader more candidacies in the 2006 elections. The PRD is closer ideologically to the teachers, and needs the electoral coverage that the SNTE can provide at the district level, so we may see an alliance between at least a part of the Teachers' Union and Andrés Manuel López Obrador's party.

Madrazo's decision to eliminate Gordillo from the party equation in the fiscal reform vote could cost him dear as he moves into the 2006 election season. ■

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## Hostages of Confrontation

Ana J. Faya

Due to the relation between the Cuban and the United States governments, the populations of both countries—particularly the Cubans—pay the consequences of a stagnant confrontation that seems as though it will never be resolved. Events related to the migration of Cubans to the US, and to the humanitarian aid offered by each government to the other in the last months, have demonstrated that neither of them is willing to give up its position, even for the sake of responding to the needs of their populations—or certain sectors of them—in times of crisis.

An example of this is the Cuban reaction to US aid offered in response to the devastation caused by Hurricane Dennis, which took 16 lives, 15,000 homes and cost approximately US\$1.4 billion in losses. The US Interest Section in Havana informed the Cuban government that the US was prepared to “provide immediate humanitarian assistance of emergency supplies to help those Cubans affected by the hurricane”. It also offered to “deploy an assessment team to Cuba to independently help determine what relief supplies

were most needed" (*US Assistance to Cuba for Hurricane Dennis*). But Fidel Castro publicly declined the offer and also warned that he would not accept aid from the European Union whose policy, he believes "follows the dictates of Washington".

For their part, some Cuban exile organizations in the US asked the Bush administration to temporarily suspend the limitations imposed on personal travel and transfers of goods and money to the island since 2003 in order to allow aid to reach Cuba. But their efforts were fruitless. The aid, according to the Department of State, had to be channelled "through non-governmental organizations with an existing license, or by applying for a license through the Department of Treasury and the Department of Commerce", which left out the person-to-person relations so many Cuban-Americans were looking for.

More recently, the disaster caused by Hurricane Katrina in Louisiana led the Cuban government to offer medical aid to the wounded affected by the storm in the US. According to declarations by Fidel Castro (Granma, 02/09/05), 12 hours after the hurricane passed through the area the Cuban government contacted the US Interest Section in Havana to offer medical aid, with no publicity. However, two days later Castro organized a contingent of over 1,000 doctors and publicly announced his willingness to send them to the disaster zones.

The Cuban aid was not only refused by the Bush administration, but also became an issue of domestic debate among the press, government officials, and lawmakers. While Fidel Castro converted his offer into a part of his policy against the current US administration, and the Bush government made evident in its response to Havana a political stubbornness that serves the Cuban leader well in domestic politics, those captive in the stadiums in New Orleans and Houston were deprived of potential additional medical care coming from the Cuban professionals.

Regarding the migratory situation, both governments have maintained severe restrictions on citizens travelling to the other country, though in the case of Cuba these restrictions apply to citizens travelling to any foreign country. This year, illegal departures from Cuba to the United States have increased considerably, be it those trying to cross the strait of Florida or through third countries like Honduras, Mexico and even Paraguay. In August, the case of a boat that capsized north of Cuba with 31 Cubans on board spurred mutual accusations by officials in both governments. Castro once again pointed the finger at a US law that allows Cubans to apply for permanent residency if they reach the US territory, saying it encourages dangerous, illegal migration. The US Interests Section in Havana rejected the Cuban government's statement, calling it a "cynical attempt to deflect blame from itself" (AP, 26/08/05).

While the number of Cubans intercepted at sea by the US coastal guard this year has doubled since last year—2,029 Cubans were intercepted on the high seas and 2,347 have made it to South Florida so far this year—Castro never sought an internal analysis, not public nor within the ranks of the Cuban Communist Party, about the causes that have led over one and a half million citizens to escape the country over four decades, by any means, without the possibility of returning, or the fact that every year thousands continue to risk their lives attempting escape. For its part, in December 2003 the US

suspended migration talks that were originally convened with Havana during the Ronald Regan administration and does not seem to have any intention of resuming them. This government also maintains tight restrictions on citizens traveling to Cuba, which particularly affects Cubans living in the US, and has threatened to make use of the presidential veto on any initiative in Congress to lift these sanctions.

The Cuban population in general, as well as important sectors of the population of the US, are denied a voice in this dialogue of the deaf between Havana and Washington. Meanwhile, as the cases of the last months demonstrate, humanitarian aid or the avoidance of deaths in the Strait of Florida are converted into fodder for confrontational rhetoric between two governments, while the populations of both countries are made the victims.■

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## **Indigenous Summits and the Summit of the Americas: Towards Continental Integration**

Omaira Mindiola

In the context of Inter-American relations, it is not only heads of government that convene meetings to discuss subjects of interest to the hemisphere. Indigenous Peoples have held continental fora since 1990. The Summits of the Americas process and the Indigenous Summits, each from their own perspective, are trying to develop a collective agenda to achieve harmony and peace, and to improve the quality of life of 800 million people, ten percent of which are Indigenous. The theme of this year's Summit of the Americas, "Creating Jobs to Fight Poverty and Strengthen Democratic Governance", is closely related to the perspective of the Indigenous Summits, which seeks a commitment from the heads of state that recognizes Indigenous land and resource rights, self-determination and their greater participation in decision-making processes.

In the Americas, the gathering of Indigenous organizations has been a common activity for the past two decades. In the north, particularly in Canada, Indigenous Peoples and First Nations frequently hold talks at conferences and round tables among themselves, as well as with private corporations and government. In the south, the number of meetings has intensified since the nineties when the ancestral territories were seriously threatened by the economic policies of the new development model.

Indigenous People's rejection of trade liberalization, the privatization of water and the oil industry, and the degradation of the environment has been echoed by other social movements. It is obvious that the Indigenous struggle throughout the Americas is focused on land claims from a holistic point of view: that is, to truly include Indigenous Peoples in society, profound changes are required beyond adjustments to social assistance. The fora have gained strength since the first continental meetings and summits were held (see table).

#### Chronology of Indigenous Summits

1990	Quito (Ecuador)
1993	Mexico City (Mexico)
2000	Tehotihuacan (Mexico)
2001	Ottawa (Canada)
2004	Quito (Ecuador)
2005	Buenos Aires and Mar del Plata (Argentina)

#### Relations between Indigenous Summits and State Summits

Although since 1994 the mandates of the Summits of the Americas have pursued the strengthening of democracy and governance and sought to address poverty in the hemisphere, the results have not been satisfactory for the Indigenous Peoples. Proof of this is found in the fact that even though the Summits were held during the first Decade of the Indigenous Peoples (1994-2004) and in the context of the Millennium Development Goals, Patrinos and Hall show that indigenous poverty (in terms of income) has not been substantially reduced (*Indigenous People, Poverty, and Human Development in Latin America – 1994-2004*, World Bank, 2005). For example, the study reveals that in Bolivia the percentage of change in the rate of poverty between 1997 and 2002 in the non-Indigenous population was 8%, while the percentage of change in the Indigenous population was below 0.1%. Moreover, the competition for resources in ancestral lands (oil, lumber and minerals) has displaced communities with a blatant infringement on human rights, and particularly on Indigenous rights.

Despite the fact that all countries in the region, with the exception of Cuba, have democratic systems in place, there has not been a substantial improvement in the relations between states and Indigenous Peoples. The rights recognized in some constitutions cannot be exercised—in the final analysis the culture of the “other” has not been accepted and incorporated into national life and, consequently, people are treated as if the country were culturally homogeneous.

Indigenous movements have gained strength and achieved continental integration, setting forth proposals on land claims, self-determination and participation in the democratic processes. These voices have been channelled through the Indigenous Summits, and heard at the Summits of the Americas since 2001 (Quebec). In this scenario, heads of government are expected to generate political will and establish mechanisms that provide for

real inclusion of the Indigenous Peoples in society, based on the recognition of collective rights.

However, talks held at the Indigenous Summits and at the Summits of the Americas could be a futile exercise if no significant progress is made on governance mechanisms. In Latin America Indigenous Peoples as well as many other civil society organizations are demanding greater spaces where they can participate, be represented and demand greater accountability from governments. The Indigenous resistance is undertaking a struggle to gain the place it has been denied for over five hundred years. Pro-autonomy movements have become radicalized in Central America, the Andean region (five countries) and in the south of Chile. The experiences

in Mexico (Chiapas), Nicaragua, Panama, Canada, Chile (Easter Island) and Colombia (Nasa people), each with different characteristics, prove there is a capacity and potential for self-government. However, dialogue, not confrontation, is the preferred strategy of Indigenous Peoples.

Consequently, the Indigenous Summits are a key element in identifying the issues relevant to First Nations that must be included in the mandate and the operational plan of the Summit of the Americas. The American Declaration on the Rights of Indigenous Peoples—the subject of negotiations at the Organization of American States (OAS) for the past five years—is a fundamental element. Although the Declaration is not binding for the states, it harmonizes the criteria that must be introduced by countries into their national legislations on Indigenous affairs and on relations between the state and the indigenous peoples.

The direct participation of the Indigenous Peoples would be a good option: as Óscar A. Rodríguez, Archbishop of Tegucigalpa, said at an Inter-American Development Bank conference, “elections are not enough; democracy is a way of life, not just a right to cast a vote”.

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## Hu Jintao's Visit to North America

Renato Balderrama

The first official visit to North America of Hu Jintao, President of the People's Republic of China, went almost unnoticed by the press and public opinion in the three countries, mainly because the media was more concerned with the catastrophe caused by hurricane Katrina, which also prevented the George W. Bush administration from receiving the Chinese leader. Generally speaking, the trip served several purposes for Beijing: from returning the visit paid by the leaders of Canada and Mexico and celebrating 35 years of

diplomatic relations with Canada, to attending the 60<sup>th</sup> anniversary meeting at the United Nations. Overall, this visit to North America requires a more detailed examination of the relationship of China and the member states of the North American Free Trade Agreement (NAFTA).

The US foreign policy towards China has been the subject of an ongoing debate. In 2000, when George W. Bush took office, China was perceived as a threat. However, after the terrorist attacks of September 11, 2001, the Bush administration's foreign policy changed. From then on, China became a partner in the war on terrorism. For almost four years, pressure groups, the media, Congress and public opinion put the issues with China on the back burner, faced with the salience of the war on terrorism, that went from the occupation of Afghanistan to the invasion of Iraq.

However, in 2005, the agenda entered the "post-September 11" phase. Old issues such as human rights, the occupation of Tibet and China's attempt to annex Taiwan have once again surfaced in the debate in the US, accompanied by other, more sensitive and complex issues on the bilateral agenda. These include, on one hand, a "super deficit" between the US and China (estimated at US\$160 billion for this year) and, on the other, a growing presence of Chinese companies in the hemisphere that are trying to secure the supply of oil, gas and energy resources, as well as high technology and agricultural products.

The government of Hu Jintao has taken some measures to reduce friction and consolidate its relations and image with the US. China finally decided to re-value its currency. Moreover, under the protocol that allowed China's entry into the World Trade Organization in 2001, the country negotiated with US businesses the opening up by 2006 of new sectors, such as the service industry. However, should China continue to grow at the present rate—between 8% and 9% *per annum*—the current issues on the bilateral agenda will be of greater concern. The main problem is that the trade deficit with China is political in nature, not economic.

Many US economists, including several Nobel laureates and Alan Greenspan, Governor of the

### Nicaragua

The crisis facing the Nicaraguan government—and President Enrique Bolaños—continues. On September 27, 2005, Nicaragua's Vice-President José Rizo tendered his resignation and announced his intention to run for the presidency of the Liberal Constitutionalist Party (PLC) at the 2006 convention. He condemned the limited confidence and resources granted to him as Vice President by President Bolaños during his tenure. Bolaños had been reluctant to trust Rizo, who openly criticized his leadership and is a friend of former PLC leader and political opponent Arnoldo Alemán.

On the same day Bolaños was dealt another blow as Congress announced that it would strip Minister of Interior Julio Vega and Minister of Agriculture Mario Salvo of their political immunity, on grounds of electoral offence. Bolaños, who was accused of using illicit funds in the 2001 electoral campaign and is also awaiting a decision from Congress on the status of his immunity, regarded the most recent congressional decision as an attempt to "consolidate a coup" (Prensa Latina, 28/09/05).

The current crisis has its origins in the aftermath of the election that brought Bolaños to power under the PLC ticket in 2001. A subsequent clash between Bolaños and the PLC led him to abandon the party and form his own, the Republican Alliance (APRE). Subsequently, the PLC and the Sandinista National Liberation Front (FSLN) formed an alliance in Congress and since 2004 have used their majority to approve constitutional reforms to reduce executive power and hinder Bolaños' ability to govern.

The Organization of American States (OAS) has held consultations with actors in Nicaragua and has heard claims of some of them under the auspices of the Inter-American Commission of Human Rights. OAS Secretary General José Miguel Insulza has expressed grave concern about the judicialization of politics, which he said "inevitably makes a country ungovernable, by generating endless conflicts" and has asked national actors to collaborate and make governance possible until next year's presidential elections (OAS press release, 29/09/05).

US Federal Reserve, believe the re-valuation of the Yuan will not help balance trade, nor will it help create more employment. Yet others know that a large part of the deficit can be accounted by foreign multinational corporations established in China—many of them American—responsible for over 51% of Chinese exports. For example, Wal-Mart alone represents more than 10% of the trade deficit; however, the company is increasing its profits and presence in more countries where the local competition has been either displaced or decimated. Furthermore, these multinational corporations have introduced a large amount of products at very low prices into the American market, creating an immense network of importers and distributors.

In light of this scenario, it is clear to China that, despite a growing number of sectors in the US that are benefiting from huge profits, such large deficit will not be tolerated by public opinion nor by the politicians in Washington. Therefore, China may follow the steps Japan took in the seventies and eighties, when it was perceived as a threat to the US because of the trade surplus it maintained with the US. The solution devised by Japan consisted of moving part of its industrial production to Canada and Mexico and later exporting products to the US from these neighbouring countries; a scheme also used with its neighbours, namely South Korea, Taiwan, Singapore and Hong Kong.

It appears that the Chinese government has now devised a similar strategy, although it will have to overcome the technical barriers posed by NAFTA's rules of origin. Consequently, if China invests directly or through joint ventures it could insert itself in regional supply chains using inputs, technology and the work force present in the three NAFTA countries. Moreover, many multinational corporations in China could hook themselves into these networks, especially if Canada and Mexico develop incentive and promotion schemes to attract investment. These could include the possibility of establishing an economic association between China and Canada, as was suggested by President Hu Jintao at a press conference (Notimex, 09/09/05).

The agreements China signed with Canada and with Mexico (see table) seem to pave the way for this in the coming years. In the case of Canada, the acknowledgement of the need to insert itself strategically in Beijing's plans has existed for some time. The seven bilateral agreements signed during the last visit to Canada clearly point to a deepening of the policy to develop a partnership with China and of exchanges under the Canada-China Strategic Working Group (SWG)—a high level forum for regular consultation on a

number of bilateral and multilateral issues, including energy, health and climate change. According to a survey taken by the Asia Pacific Foundation of Canada (*China goes Global*) published in September, 2005, 85 of the 296 largest Chinese companies expressed interest in investing in North America in the next 2-5 years. It is estimated that 39 of these companies would operate in Canada, in contrast with Mexico, where only six companies are expected to invest. This illustrates that in the case of Mexico, the government of Vicente Fox has not been successful in designing an agenda that could address these challenges and help Mexico deal with a more complex and competitive North American market after the entry of China. However, the agreements signed between China and Mexico in mid-September aim at strengthening the bilateral relationship. During his visit to Mexico, President Hu Jintao declared that China was ready to foster a "strategic relationship" with Mexico. To show China's interest, Mexico was made the guest of honour in all of China's main cultural festivals in 2006 and a Chinese cultural centre was opened in Mexico.

Bilateral agreements signed during the visit of President Hu Jintao to North America	
Canada	Mexico
Nuclear energy cooperation	Trade of agriculture products
Air transportation	Cooperation in the mining sector
Food and animal health and plant protection	Agreements to avoid double tax tribulation and to work social development
Food phytosanitary standards	Cultural cooperation
Purchase and maintenance of high-speed electric trains	Opening of a Mexican consular office in Guanzhou
Cooperation on railway transportation	Agreement to fight against piracy from China
Protocol on health research	

Altogether, the visit of China's president to North America meant the consolidation of Canada's strategic relationship with China, and the potential opportunity for Mexico to serve as bridge for Chinese companies and goods to access the US and Latin America.■

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## Editorial

### Summit of the Americas 2009: Champion Needed

The Mar de Plata Summit—gathering in Argentina the 34 democratically elected heads of government of the Americas on November 4 and 5—is, in many ways, a reluctant summit.

The attention of the host government of Néstor Kirchner is consumed by Peronist Party in-fighting and legislative elections. Scheduled to take place just eleven days before the start of the summit, these elections are seen as a test of his power within the party. In addition, the United States is focused on a real war in Iraq. But underlying the lack of enthusiasm and commitment from both the host and the most powerful actor in the hemisphere is another factor that is even more significant for the long-term prospects of inter-American relations.

The consensus of the nineties is dead. There is no longer that widely shared vision for the hemisphere that the end of the East-West conflict helped to shape. Indeed, some very deep fault lines exist within the region, and anti-US sentiment is percolating strongly, undermining the inter-American project. The Free Trade Area of the Americas (FTAA) initiative has hit a major *impasse*, and many in the hemisphere would rather avoid mentioning the subject if at all possible.

This picture begs the question: can the Summits of the Americas be rescued?

The one measure of success of the upcoming Summit in Mar del Plata will be to produce a collective agreement to hold another summit in four years or so. This will, of course, require a champion willing to take on the political manoeuvring, planning and hosting of the V Summit of the Americas.

The next host country will enjoy a marked advantage. Latin American leaders can be expected to flock to the summit, if nothing else, to meet and assess from up close the new US president (a woman perhaps, since both Senator Hillary Clinton and Secretary of State Condoleezza Rice are mentioned frequently as possible candidates for their respective parties).

It will be up to those countries with a vested interest in the Summits process to ensure its survival. Who needs the summits? Countries that carry out much of their policy towards the region through multilateral institutions—including the Organization of American States (OAS) and the Summits—such as Canada and Chile; those countries that have already invested in the process such as Mexico; and of course, the main beneficiaries of inter-American multilateralism—the smaller countries of Central America and the Caribbean). The Americas need summitry, especially at a time when it is seriously divided. Photo-ops are necessary when other dialogue is lacking. Indeed, bringing to a common table people who would not normally meet is a hemispheric requirement. Summits force officials to engage in dialogue in the lead-up to the meeting itself whether or not the leaders actually like each other or agree on anything.

Which leads to point of this piece.

FOCAL believes the Caribbean Community (CARICOM) should seriously consider collectively hosting the next Summit of the Americas.

A benefit of having the CARICOM as host is that it would endow the process with much needed continuity. A perennial problem with Summits is that there is always the danger that the government that agreed to host it is not the same one that has to execute it. (The same goes for other long-term events such as the Olympics; the people who agreed to do it are not the same ones that have to actually live with it). The case of Argentina underscores this point. President Kirchner inherited the summit from a predecessor who seems to have attached more importance to hemispheric affairs. This is not so much the case in the Caribbean where Parliamentary democracies tend to have stable and permanent bureaucracies that almost ensure foreign policy is a policy of state and not just of a particular party or individual leader.

At the end of this year the CARICOM countries will formally constitute themselves in a Caribbean Single Market and Economy (CSME). The 2009 Summit could be an opportunity to introduce this new entity to hemispheric society. Of course a single country and foreign ministry would probably have to be appointed in order to coordinate and physically house the event.

Barbados stands out in this regard.

Barbados has democratic, well-functioning and stable institutions, backed by a moderate government and a modern society. It maintains good relations with every country in the Americas, it is not immersed in conflicts, and it is respected by its neighbours. And it successfully hosted the 2002 General Assembly of the OAS.

A Caribbean Summit makes sense at this time. Increasing polarization in South America will continue to fuel divergent visions of the hemisphere, in view of the problems of inequality and inequity that continue to plague most of that region, leaving their appetite to host another Summit perhaps somewhat diminished. The United States will be focused on Iraq for the

foreseeable future, and Canada hosted a Summit in 2001. The choice of a venue for the V Summit of the Americas remains an important decision at this critical juncture, and Barbados is well suited for this task. Indeed, CARICOM's time may have come to play a more central role in hemispheric affairs. Stay tuned!

## Abstract

**Summary Report** on External CSR Practice in Latin America and the Caribbean, presented at the FOCAL Roundtable on "Direct Private Sector Investments in Meeting the Millennium Development Goals", September 13, 2005  
(at [http://www.focal.ca/pdf/CSR\\_report.pdf](http://www.focal.ca/pdf/CSR_report.pdf))

"Canadian companies are making significant contributions toward meeting the Millennium Development Goals (MDGs) and that these contributions extend beyond the usual suspects of FDI and job creation. These contributions extend into "traditional" development activities such as maternal health, primary education and community capacity building."

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