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Op-Ed

Good Foreign Policy Equals Good Domestic Policy

Rick Waugh

Canada benefits when business owners broaden their horizons and when political leaders further open doors to international markets.

A strong foreign policy founded on clear international trade and investment priorities lays the framework for businesses to reach out, grow and succeed outside their home markets. When Canadian companies grow and expand out of their home market, they create jobs and life-long careers, wealth and a stronger domestic economy, with universities and colleges providing the talent to support the increased opportunities. This success at home, in turn, better positions firms to compete more effectively internationally.

At the same time, countries that welcome foreign trade and investment also benefit from innovative products and services and new technologies, to lower supplier costs and consumer prices, to new opportunities for businesses, challenging careers for individuals and broader economic growth. Overall, it is a virtuous circle—a win-win-win proposition.

Of course, there are always groups that will look to create barriers. However, the reality is that increased competition from open trade enables businesses to seize opportunities to prosper and grow. Overall, countries benefit—communities benefit and consumers benefit—when businesses compete and win in international markets. And the real growth opportunities for companies in North and South America, including small and medium-sized businesses, are in the Americas.

With worldwide multilateral talks stalled, my sense is that more and more countries will look to regional, sub-regional and bilateral trade deals to secure access to markets. In fact, regionalism is the key factor today behind cross-border trade expansion. There are some pros and cons to this. But regardless, for the near future, trade within various regions—the Euro zone, Asia and the Americas—will continue to be a key driving force of global economic activity.

That is why greater economic integration is critical to the future of the Western Hemisphere.

For its part, Canadian investment has shown a bias towards our hemisphere, and not

just the US and Mexico. Over the last decade the compound average annual growth rate of Canadian investment in Central and South America was 11%. This is 50% higher than the growth in Canadian investment in Asia and more than five times the growth of Canadian investment in the European Union (DFAIT, *Seventh Annual Report on Canada's State of Trade -- Trade Update 2006*, 06/2006).

Canada is a small and successful economy with a heavy dependence on trade. However, if we want to continue to grow, to compete and to build opportunities, we must not be complacent. To continue to be a leading trading nation, we must build on our strengths through strong policies that support trade and investment. And we should place a particular focus on trade and investment opportunities in the Americas because of our historic cultural and political ties, our existing corporate links, and the tremendous growth potential and proximity of these markets.

Although I strongly believe the current failure of multilateral trade talks at a global level will merely slow what is a truly rising and enduring trend, there is a constant need for business, government and academic leaders to stand up and talk to the benefits of open economies.

Canadian businesses must respond by looking more aggressively to foreign

markets for growth. They must work closely with government to promote the benefits of trade. With this support, government can build the right policy framework to facilitate international expansion because good foreign policy equals good domestic policy. ■

Rick Waugh is President and Chief Executive Officer of Scotiabank.

The Benefit of the Doubt

Sergio Ramirez

Nicaragua has entered one of the most unique periods in its history with the election of Daniel Ortega to the presidency for the next five years. Ortega won despite tough opposition from 62% of voters, while the 38% electoral support he received is a personal record low since he began competing as a candidate. His minority victory was only made possible by the pact with Liberal strongman Arnoldo Alemán and the constitutional reform the two negotiated in 2000.

But these are the rules of the game by which the other candidates also abided and according to national and international observer organizations the votes appear to have been cleanly counted by the electoral tribunal, which is controlled by Ortega. No one can dispute the legitimacy of the presidential election. What the country must now face is the complex dilemma of a head of state who must govern from a minority position, and who from the outset has provoked fear and uncertainty. These fears and uncertainties do not only affect his ability to govern, but the very stability of the country, which depends on a fragile economic balance.

To begin with, Ortega urgently needs to form a national government with representatives from a diversity of political and social sectors as there is no other way to dispel the misgivings—not only national, but also international—about what his government is capable of doing in the future. Given his populist image, there are those who fear that economic policies, which depend on financial discipline, could become distorted by uncontrolled

ECUADOR

Rafael Correa was elected President with 56.7% of the vote in the second round of presidential elections held in Ecuador on November 26 (http://www.tse.gov.ec/Resultados2006_2v/). Under the party banner Country Alliance-Democratic Left (AP-ID), Correa was facing Álvaro Noboa, leader of the right-wing Institutional Party of Renewal Action (PRIAN).

Noboa, for whom this is the third defeat in a presidential runoff, refused to concede victory to Correa until the Supreme Electoral Tribunal (TSE) proclaimed official results despite Correa's comfortable lead (*El Universo*, 01/12/06). In the first round held on October 15, Noboa won 26.83% of the vote, ahead of Correa who garnered 22.84% of the vote.

Correa promised to adhere to his campaign proposals after he takes office on January 15. His platform included specific proposals such as housing and subsidies and plans to call a referendum on convening a constituent assembly. Correa indicated that he would not sign a Free Trade Agreement with the US or renew the contract allowing the US to maintain a military base at Manta when it expires in 2009. He also promised to strengthen ties with Venezuelan President Hugo Chávez. The US administration nevertheless sent friendly signals to Correa and President George W. Bush congratulated the President-elect (*Latinnews*, 28/11/06).

social spending, subsidies, and loans to agricultural producers that could very likely be lost. There are yet others who wonder about the return of expropriations and land seizures.

The President-elect seems to be aware of these limitations, and also of the risks he is running, which are no longer solely his but also those of the whole country. The flags of the combative left, which remained stowed during the electoral campaign, have not been hoisted as of yet, and his discourse to bankers and businessmen, with whom he has had regular meetings, is conciliatory. He has promised that the agreements with the International Monetary Fund will be respected, as will the free trade agreement with the United States, and has invited foreign investors to trust that the rules of the game will not suffer abrupt changes.

All of this has meant that in the face of the direst prognoses, the climate of the country has remained peaceful up to this point. There has been no currency flight and economic and banking activities continue at their usual pace. No one seems to wish for this mood to change or want any type of instability to ensue, the effects of which would be nothing less than catastrophic for a frail economy that depends greatly on international cooperation.

Nevertheless, there is still a subject that has not been completely cleared up, that being the matter of relations between Ortega and the United States government, which openly intervened against him in the electoral campaign. Thanks mainly to the good offices of President Jimmy Carter who participated as an observer in the election, Washington's statements have been tempered and no cutting remarks have come from amongst Ortega's ranks either. This constitutes progress, however interferences capable of fostering disagreements loom ominously upon the horizon.

Both Cuban President Fidel Castro and Venezuelan President Hugo Chávez have welcomed the Sandinista victory as a triumph over imperialism, a word that continues to be absent from Ortega's vocabulary, at least in the last few months. And if it is for appearances of good behaviour, it will not be convenient for him to appear—as many think he will—as a part of the anti-US front formed by Cuba, Venezuela and to some extent Bolivia.

Relations with Cuba will surely be mostly political in essence. This will worry very few people, particularly now that the Cold War is a thing of the distant past. But the same is not true of Chávez' Venezuela. Ortega has been, at least until prior the electoral campaign, a supporter of the Bolivarian Alternative for the Americas (ALBA), an invention of Chávez', which seeks to open a space of economic cooperation and trade exchange among Latin American countries. Chávez himself proclaims the ALBA to be incompatible with free trade with the United States.

Ortega will need to walk a very fine line to reconcile a trade agreement with the United States and Nicaragua's probable membership to the ALBA. In the midst of this is the lure of cheap petroleum, which Chávez has already offered and began sending early on to favour Ortega in the campaign.

Chávez will undoubtedly be a frequent guest in Managua—uncomfortable but necessary.

Although many wish it were otherwise, Nicaragua's fate is tied to Ortega's for the next five years. And even those who would prefer not to see him in the presidency are giving him the benefit of the doubt. Facts alone will determine whether he will eventually come to enjoy the "benefit of trust." ■

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CUBA HIGHLIGHTS 2006

The Transfer of Power

The announcement on July 31 of Fidel Castro's temporary transfer of power to his brother Raúl was without a doubt the most important event of 2006. Castro had to undergo intestinal surgery, which he himself warned could have had an adverse outcome. With his health declared a state secret by the Cuban regime, media outlets issued contradictory reports on his odds of recovery. Following the announcement, the regime's repressive machinery and domestic security forces were put on high alert, ensuring that public order was maintained amongst a population that has lived under Castro's rule for more than four decades. The climate in the Cuban population has thus far been characterized by a mixture of calm and uneasiness amidst celebrations in honour of Castro's 80th birthday and speculations about what awaits Cuba under a new leadership.

In the months prior to the transfer of power, the Cuban Communist Party (PCC) and the Armed Forces—both institutions under the direct supervision of Raúl Castro—readied themselves for a succession on the island. After almost a decade since its last Congress, the PCC's Central Committee held its Fifth Plenary meeting in early

July. On that occasion, the role of the communist party was bolstered with the creation of its Secretariat and the decision that the PCC would be the only entity recognized as the Commander in Chief's legitimate political heir to the leadership of Cuba—a motion put forward by Raúl Castro.

The Army honed its combat readiness and capabilities and the Minister of the Armed Forces, General of the Army Raúl Castro, inspected all three regional armies. Likewise, Raúl met with high-level delegations from Belarus, China, Congo-Brazzaville and Russia. A major "technical and military" cooperation agreement was signed, the particulars of which remain unknown. On December 2, a military parade was held in commemoration of the 50th Anniversary of the Granma landing and in honour of Castro's birthday (the celebrations had been postponed from August 13 on account of Castro's fragile health). Such a public display of force by the government had not been seen in the country in nearly a decade. In his address, the interim president reiterated the importance of the role of the Party and the Armed Forces in preserving of Cuba's political system.

Domestic Repression and the Battle Against Corruption

The repression unleashed early in the year against domestic political dissent was intensified after the transfer of power. The year saw recurring and arbitrary arrests of dissidents, as well as denunciations by independent journalists and human rights organizations of the appalling prison conditions political prisoners endure, and the hateful "acts of repudiation" organized by the political and security forces outside the homes of non-violent opposition activists, some of which have escalated into physical assault in recent months. Assertions about possible US military aggression against Cuba, repeatedly denied by Washington, were used by Raúl Castro in his first public declarations after assuming power in order to justify the mobilization of the Armed Forces, the army reserves, the Committees for the Defence of the Revolution, and the Rapid Response Brigades, the latter deployed in support of the "acts of repudiation" outside the homes of non-violent opposition activists. Political opposition organizations such as Progressive Arch, the Christian Liberation Movement and the Assembly to Promote Civil Society continued to push for an end to the repression and asked the international community to demand that the Cuban government release all incarcerated opposition activists; demands also shared by the Ladies in White—relatives of dissidents imprisoned during the 2003 crackdown against political dissent.

The campaign against the rampant corruption that plagues the island, launched in 2005 by Fidel Castro, was bolstered in the second half of 2006. Nationwide newspapers like *Juventud Rebelde* and *Granma* ran repeated denunciations of fraud against customers and other crimes committed by state-run companies throughout the island. So far however, the responsibility for these actions has not been attributed to the system per se; rather, the finger is pointed at the irresponsible attitude of some leaders as well as of managers and workers who allegedly perpetrated thefts and other economic crimes. The creation of an expert commission designed by the government to debate the shortcomings of the island's socialist system was also announced, causing great surprise. This announcement followed criticisms from technicians, economists and the official media.

Relations with the International Community and the United States

While relations with the United States have failed to improve over the course of the year, Cuba strengthened its ties with governments that have maintained an antagonistic stance vis-à-vis Washington.

Despite Fidel Castro's absence from public light, Cuba reached high levels of trade and political exchanges with Venezuela, whose President Hugo Chávez is a close friend of Castro's. Likewise, the island established significant cooperation ties with Bolivia since the accession to power of Evo Morales, who joined the Bolivarian Alternative for the Americas launched by Chávez and Castro in Havana. Relations with Iran were fluid at the highest levels of both governments, with reiterated public declarations by the Cuban leadership in defence of Iran's right to develop a peaceful nuclear energy program. On a similar note, amid a United Nations debate over the nuclear tests carried out by North Korea in October, Cuba signed a new agreement for economic, scientific and technological exchange with this Asian nation in Pyongyang. Relations of cooperation with countries of the Caribbean and Africa were also expanded. In September, Cuba hosted the 14th Summit of the Non Aligned Movement (NAM) and, for the second time, took over the NAM presidency.

Even though some of the Chinese investments announced last year have become mired in protracted negotiations, China remained Cuba's second-largest trading partner after Venezuela and diplomatic and cultural exchanges with the Asian giant rose to new heights.

Relations with Canada did not experience significant changes. In spite of the priority treatment given by the Conservative government of Stephen Harper to Canada's relationship with the United States, in the days following the transfer of power on the island Foreign Affairs Minister Peter MacKay underlined that "Canada has always taken a sovereign, independent position vis-à-vis our relations with Cuba, and we'll continue to do so." MacKay added that it is the wish of Canada to see a working democracy on the island (*Canadian Press, 04/08/06*).

Relations between Cuba and the European Union (EU) were characterized by increasing deterioration as Cuba repeatedly called the EU "a lackey" of the United States. The 25-nation bloc of democracies, without closing their current position of "critical dialogue," requested the release of all political prisoners.

VENEZUELA

President Hugo Chávez was re-elected in the December 3 presidential elections with 61.35% of the vote cast. According to the National Electoral Council (CNE) 25% of the voting population abstained. Although on December 4 the CNE had only counted 78% of the ballots, the figures give Chávez a visible lead. Chávez' main contender was Manuel Rosales, who was the governor of the oil-rich State of Zulia and who was bearing the banner of an opposition front formed by Justice First, Social Christian Party of Venezuela (COPEI), Convergence, Red Flag Party, Movement for Socialism (MAS), Democratic Action (AD), and A New Era (UNT). With 38% of the vote, Rosales recognized the results and said he felt the opposition's performance in the elections had been good, considering the disadvantaged position it was in during the electoral race due to the pressure exercised by the state in the process and the apathy and disenchantment of the electorate in the political system in Venezuela. He reiterated that the opposition would continue looking for ways to offer an alternative to those who are not happy with Chávez' government (*Reforma*, 04/12/06).

According to the observers from the Organization of American States (OAS), the elections took place in a climate of normality, with the exception of a few incidents. The incidents mentioned involved the closing of some polling stations before all voters present were able to vote. Other delegations of observers have made similar observations (*Reforma*, 04/12/06).

Some analysts have expressed concern about the impossibility for observers to fully assess the electoral process given that the Venezuelan government allowed them into the country only a few weeks before the elections (Oppenheimer, *Reforma*, 01/12/06).

With this electoral victory Chávez has won the mandate to lead Venezuela for another six-year period. He has promised to deepen 21st century socialism, strengthen the Bolivarian Revolution and continue the struggle against US "imperialism." Meanwhile, US State Department spokesman Eric Watnik congratulated the people of Venezuela for participating in the elections and pledged to work with the current administration in areas of common interest.

Washington, for its part, renewed its efforts to enforce the Helms-Burton Act that penalizes non-US companies conducting business with Cuba. The US imposed severe sanctions on US institutions or citizens found in violation of travel restrictions to the island, and resumed radio and TV broadcasts towards Cuba using new technology. The US State Department's Commission for Assistance to a Free Cuba issued its second report on a transition in Cuba that included recommendations to help the Cuban population establish a democratic government if that help was required. The report also features the allocation of US\$80 million to assist the opposition movement on the island, a chapter not made available publicly and a warning that a Raúl Castro government by way of succession would be unacceptable.

Nevertheless, the George W. Bush administration acted with caution in the days following Cuba's transfer of power, while it made it clear that it would seek to prevent a massive exodus from the island towards US coasts. Declarations made by Raúl Castro during his first public appearance as acting President, and by Assistant Secretary of State for Western Hemisphere Affairs Thomas Shannon, led some analysts to ponder the possibility that exploratory talks aimed at a normalization of relations between Washington and Havana could be pursued once Fidel Castro leaves the political arena permanently. Soon after these signs of a relative thawing of bilateral relations, the rhetoric between both states returned to its usual belligerence. However, in his speech at the December 2 military parade in Havana's Revolution Square, Raúl Castro reiterated the Cuban government's willingness to resolve the longstanding dispute with the United States by way of negotiations. This is something that analysts have stressed as an extremely relevant development. The US State Department responded to Castro's offer stating that concrete steps toward political opening and transition to democracy should be a priority in any process of deepening US engagement with Cuba, leaving the relationship between the two nations stagnant once more—at least for the moment. ■

COUNTERPOINT

Counterpoint is a musical technique involving the simultaneous sounding of separate musical lines. Like in music, different voices can enrich our understanding of events.

Argentina and Canada: Looking at the Future

Victor Armony

"Argentinization" was a term that made the rounds in conservative Canadian circles in the early 1990s and was used to underline—and play up—Canada's public debt crisis, the country's loss of competitiveness, the inertia of its elites vis-à-vis the new challenges of globalization and, in general, its tendency toward overconfidence in its wealth of natural resources. The warning was loud and clear: what had happened to Argentina in the second half of the 20th century could happen to Canada in the 21st. However, as fiscal problems and productivity issues began to be resolved, the word was dropped from the Canadian political and journalistic lexicon in the second half of the 1990s. But the term "argentinization" found its way back into the political jargon following the Argentinean economic debacle of 2001, being used—and abused—by numerous present-day political pundits in Canada and elsewhere in the world. Many spoke and still speak of the "argentinization" of their own countries when trying to underscore the fiscal irresponsibility of their governments, the corruption of the elites or the incompetence of their leaders. Evidently, it is unfair and regrettable that Argentina's image has remained associated to such negative perception: a country "ruined by its own wrong choices." There is, however, another connotation to the term "argentinization," one that has spread among critics of the pernicious effects of globalization when it excludes the social dimension. In this sense of the word, a society becomes "argentinized" when it suffers the consequences of socioeconomic dualization, the regression being measured in terms of a widening of the social class divide, the erosion of the systems of public education, health care and public safety, and the adoption of a culture of winners and losers.

Nevertheless, although no one is currently suggesting that there is a risk of "argentinization" in Canada, my opinion is that, since the 1990s, Canada has been becoming, at certain levels, "argentinized" inasmuch as there has been a deepening in social inequality, a weakening of the revenue redistribution mechanisms and an increase in wealth concentration. By way of example, a significant growth has been observed in the number of homeless people and a deterioration of living standards among the disadvantaged sectors of the population (immigrant and ethnic groups, single mothers, university students, etc). There are also highly revealing phenomena, like that of the major banks generating ever larger profits while implementing service and staff cuts, always with the protectionist umbrella of the state guarding them against foreign competition. I do not seek to overemphasize what is wrong with Canada, but rather to underline that our two countries face common challenges and issues today. The loss of a meaningful political process and the emergence of leaders that seduce the masses by appealing to an anti-politics sentiment and manipulating collective fears, and a tendency in the executive branch to undermine transparency, public debate and the critical

role of the media are symptoms of a crisis in democracy that affects both Canada and Argentina, albeit in different ways and with varying intensity.

Ironically, if Canada has become "argentinized" in the sense explained above, Argentina has also, in some respects, gone increasingly "Canadian." Argentina presently stands out in the region as a space for reflection and experimentation in the area of citizenship promotion as a principle for inclusion. Argentinean civil society shows remarkable vitality and creativity. The country is currently rediscovering and reassessing its inherent multiculturalism and finds in Canada a successful model of integration and of respect for cultural differences. The experiences derived from self-management and cooperative initiatives and from the so-called "social" or "solidarity" economy have generated much interest in both countries, resulting in an increasing number of collaboration and exchange projects. And we should not forget the issues of federalism and regional disparities that affect both countries and compel them to continuously re-evaluate relations between the provinces and the nation. Certain common problems, like a crisis in the representativeness of political parties and the concentration of mass media ownership are also similarities that bring both countries closer together on the socio-political plane. These parallels can surely generate a dialogue that is beneficial to both nations. At the academic level, there are already numerous initiatives enlisting researchers, academics and students from both countries. But this convergence could also be expanded into a common government agenda covering a broad spectrum of issues, including sovereignty and environmental protection in the Arctic and Antarctic oceans, the consolidation of an international system of law around the issue of human rights protection, or the norms and standards governing the peaceful use of nuclear energy.

Parallels in the area of international activity can also be clearly established. Argentina has looked to position itself as a respected actor in multilateral organizations, joining the community of nations that

work constructively within the framework of the United Nations and other international fora. The Canadian government produced in 2005 a very interesting foreign policy statement that matches almost perfectly the Argentinean Foreign Office's Strategic Goals. Indeed, the promotion of human development and international law, good governance, multilateral and peaceful resolution of regional conflicts, and civil society participation, among other topics, are all part of Canada's International Policy Statement. Even though the current Canadian government has introduced foreign policy changes in a bid for closer ties with the United States, the mainstays of Canada's international policy can be expected to remain unaltered. Canada's high credibility in the multilateral arena constitutes an asset that no government will irresponsibly squander. Argentina, with its manifest will to establish its own credibility on a hemispherical and global scale, can find in Canada a particularly suitable partner.

I believe that both countries, at opposite ends of the continent, share deep affinities that go beyond the geographical and historical similarities generally indicated and that, in my opinion, remain to be sufficiently explored and capitalized upon. ■

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Canada and Argentina: Looking at the Future

Lila Kowalewski

The longstanding harmonious relationship between Argentina and Canada is based on common values of democracy, human rights and nuclear non-proliferation. Their commitment to these values is embedded in their cooperation agenda and demonstrated by their participation in multilateral organizations.

Looking ahead, our relationship should be considered in light of some emerging trends that affect and shape the international order. For instance, the prosperity of citizens and their quality of life are increasingly affected by geographically distant events. This interdependence between nations has sparked a debate between international relations scholars on the interrelations between key concepts such as sovereignty, security and the increasingly complex web of rules, disciplines and other legal provisions on international trade, finance, investment and movement of persons negotiated at the national, regional and multilateral levels over the last few decades. To what extent guaranteeing the security of the citizens imposes limits on a country's sovereignty, especially when security is taken in an increasingly broad sense to include food security, energy security and the challenges posed by violence of all types?

Additionally, traditional powers now interact with new emergent countries like India and China. In this context, middle powers can provide alternative

proposals to these challenges and establish new strategic alliances. Middle powers exercise influence that is disproportionate to their material capabilities, doing so largely on their good reputation as leaders of initiatives to address international problems in multilateral fora.

Argentina and Canada have indisputably embraced their role as middle powers and have demonstrated their commitment to multilateralism and regional hemispheric organizations in many significant ways. For instance, both countries were chosen to integrate the new United Nations Human Rights Council. Canada and Argentina also adopted common positions at the Organization of American States (OAS) like in the process leading to the adoption of the Inter-American Democratic Charter and also in the promotion of the Inter-Parliamentary Forum of the Americas (FIPA). The two countries have also collaborated in the peacekeeping and reconstruction operations in Haiti. The Lester B. Pearson Institute and the Joint Argentine Centre for the Training of Peace Operations (CAECOPAZ), better known as Argentine 'Blue Helmets', also collaborate closely.

Forging ahead, Argentina and Canada must take a closer look at the key areas where they share interests and experiences and join forces to develop the knowledge necessary to meet future challenges. Geographically, Canada and Argentina bear remarkable differences in climate and geography. Nevertheless, both countries have natural resource-based economies and grapple with the tensions that economic development creates between the productive systems and the ecosystems and society. Together, Canada and Argentina can develop meaningful studies on sustainable development issues and in analogous productive sectors.

Canada is an emerging energy power and an expert on energy security. It shares with Argentina a commitment to the pacific use of nuclear energy. Both countries have a longstanding record on technological cooperation for the construction of nuclear energy plants, and the present administration in Argentina is committed to maintaining our technological capacity, increasing the share of nuclear energy in power generation.

Many authors consider investment and international trade as crucial elements of development. The stock of Canadian direct investment in Argentina exceeded US\$4.3 billion in 2005. Looking at inward investment flows for the same year, Canada is the fourth investor in Argentina in the mining sector and food industry (www.industria.gov.ar/cep/inversion/base/inversiones_01-07_2006.pdf). Setting special programs that foster interaction between Canadian companies in Argentina with local small and medium enterprises (SMEs) will have great local impact: these clusters will increase competitiveness through access to international networks, know-how and state-of-the-art technologies, improving SMEs' positioning on international markets. The creation of innovative capabilities and other important spillovers will positively affect local inhabitants and economies.

Bilateral trade on goods reached US\$600 million in 2005, with Argentine exports accounting for 75% of commercial exchanges between the two countries (www.cei.gov.ar; www.indec.mecon.gov.ar). According to certain theoretical studies, this asymmetry between Canadian investment and trade flows could indicate that trade in specific sectors could reach superior levels, notwithstanding our non-complementary trade patterns, for instance as a result of cluster formation, technological cooperation and infrastructure projects. This will depend on the hypotheses used when considering the future of commercial agreements: will there be a network of bilateral agreements, or could a greater level of integration be reached by wide-ranging multilateral or regional agreements? Worldwide, there is an attempt to reduce non-tariff barriers. Canada has developed a remarkable legal expertise in international law and in the application of the disciplines of competition policy, also making valuable contributions to the World Trade Organization.

Canada's commitment to negotiating commercial agreements with countries of Latin America and the Caribbean is associated to the urgent need for economic growth in those countries. As such, trade agreements should be part of an overarching national development strategy and be designed according to domestic priorities. The trade policy tools included in these agreements should consider the significant asymmetries of competitiveness in goods and services sectors and consider differential treatment to developing countries. Differential strength also exists with regards to the institutions in charge of their implementation and the capacity to analyze the impact of such agreements in our society.

Argentina as well as Canada have chosen to participate in regional commercial blocks such as the North American Free Trade Agreement (NAFTA) and the Southern Common Market (MERCOSUR) where they have special relations with the main partner of the agreement. These extended market areas create challenges to domestic productive sectors: how can they maintain their competitiveness? An analysis of the impact of federal or provincial policies at the industry level should be part of a comprehensive comparative study.

The extensive cooperation agenda between Argentina and Canada has yielded important results mainly by the analysis of common problematic situations. We hope to maintain this level of mutual commitment in the future.

New complex scenarios and challenges call for more specific studies to find answers to the difficult questions mentioned above. In any of these scenarios and within the new visible paradigms, the strengthening of civil society and non-governmental organizations will be of fundamental importance.

It is already possible to see the emergence of private or social actors as 'active agents' in bilateral relations, creating networks where none existed before. A goal for the coming years should be to enhance knowledge of the abovementioned common issues in civil society in both countries, promoting comparative studies and expert meetings that create a synergy of our experiences and expertise.

This will strengthen the ties between civil society organizations and ensure that they will be part of the substance of the future bilateral relations creating strong and durable interpersonal bonds. ■

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A New Era for Human Rights

Omaira Mindiola

New challenges lie ahead for the indigenous communities of the world, which according to United Nations (UN) estimates comprise 370 million people (4 % of the world's population). A long history of resistance to discrimination, racism and extermination by states and their non-indigenous population alike has paved the way for Indigenous peoples' claims for the right to well-being based on their own vision of development.

The most recent international development in this struggle is the Declaration on the Rights of the Indigenous Peoples, approved by the Human Rights Council (UNHRC) last June and expected to be adopted during the UN General Assembly's 61st session currently taking place.

After 22 years of negotiations and debates at the United Nations, a draft was produced and endorsed by the Indigenous Peoples Caucus at the United Nations—a working group formed by indigenous groups and government representatives from countries with an Indigenous population. But when the moment of truth came during the last UNHRC meeting in Geneva, only 30 countries voted in favour of the adoption of the Declaration, versus 15 abstentions and two votes against (Canada and Russia). The inclusion of the Declaration in the Plan of Action for the Second International Decade of the World's Indigenous People constitutes a second attempt to move it forward as states failed to reach consensus on the draft during the First International Decade for the Indigenous Peoples (1994-2004).

Though not legally binding, the Declaration does call upon the states' moral obligation to recognize indigenous rights. The Declaration addresses more explicitly the issue of collective human rights, specifically those of Indigenous peoples, which have been included in various international instruments (agreements, conventions, declarations) starting with the Universal Declaration of Human Rights in 1948, but have nevertheless been ignored by governments for one reason or another. This time around the emphasis has been placed on the rights of the Indigenous peoples to retain their distinct cultural identity; to make the decisions affecting their own development; to control the land, territories and the resources contained therein as well as on their right to self-determination. The last two points remain a matter of concern for countries such as Canada, Botswana, the US, New Zealand and Australia who, according to Indigenous Peoples Caucus have persistently sought to prevent a consensus on the Declaration and to postpone the decision to adopt it at the UN General Assembly; efforts that have been successful since the vote on the adoption of the Declaration has been postponed until September 2007.

As experts in the field, both the United Nations' Special Rapporteur on the situation of human rights and fundamental freedom of Indigenous peoples, Rodolfo Stavenhagen, and the UN Under-Secretary-General for Economic and Social Affairs José Antonio Ocampo have asked the UN General Assembly to adopt the Declaration, which they said is important in view of the critical human rights situation facing the world's Indigenous peoples. This situation indeed deserves special attention and requires the application of international, regional, national and local legislation. The plea by UN officials echoed the commitment made by the heads of state and government attending the 2005 World Summit "[...] to present for adoption a final [D]raft United Nations [D]eclaration on the rights of indigenous peoples as soon as possible" (A/60/L.1, September 15, 2005, paragraph 127).

Likewise, Indigenous peoples have voiced their position regarding the adoption of the Declaration: indigenous leaders from Mexico, Nicaragua, Panama and Guatemala assembled in Antigua to denounce the stance taken by Canada, New Zealand, the United States and Australia, and to demand "an attitude more consistent with peace" from those countries (Servindi, 13/10/06). Victoria Tauli-Corpuz, Chair of the UN Permanent Forum on Indigenous Issues, expressed regrets that Canada would tarnish its reputation as a human rights leader by voting against the Declaration (Globe and Mail, 16/11/06). The Indigenous peoples of Colombia abruptly

suspended talks on indigenous rights in the Colombian national context with the National Human Rights Commission when they learned their government's decision not to endorse the Declaration. According to Arhuaca leader Leonor Zalabata, the Colombian government was sending contradictory signals by convening Indigenous groups to provide feedback on the issue of indigenous rights on one hand, and abstaining in the vote to approve the Declaration at the UN on the other (*Actualidad Étnica*, 02/11/06). Their position is not to resume national dialogue until Colombia votes in favour of the Declaration.

At the heart of the disagreements around the content of the Declaration are on the one hand, the interests of a market economy-based on the extraction of natural resources (minerals, petroleum or lumber)—located to a significant degree in territories owned or occupied by Indigenous peoples; and on the other hand, the Indigenous peoples' determination to defend ancestral lands against pressure from the oil, mining and forestry industries, and achieve the participation of ethnic minorities in spaces of democratic governance.

These concerns caught the attention of the United Nations' Special Rapporteur who recommended special attention and in-depth research on the impact of major development projects on the human rights of Indigenous peoples in recent reports (Respect for Sustainable Development, Human Rights Essential to Eliminating Poverty of Indigenous People, GA/SHC/3825, 19/10/2005; E/CN.4/2006/78/Add.4), referring to the relationship between Indigenous peoples, governments and the private sector; the notion of free, prior and informed consent; corporate responsibility; the impact on the environment, culture and ways of life of indigenous communities; and indigenous participation in the decision-making process.

The international community has a moral obligation to build peace in the world. One of the basic tools in this endeavour is the recognition and observance of human rights. The challenge lies in fostering the political will of governments to use that tool. ■

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Op-Ed

Excellent Signals in the Mexico-Canada Relationship

Olga Abizaid

“Mexico matters to Canada and my government will work closely with the government of Felipe Calderón” was the message Prime Minister Stephen Harper sent when he went to Mexico on December 1 to attend Calderón’s inauguration ceremony.

This should not come as a surprise given the momentum that the Canada-Mexico relationship is living and the remarkable parallels in the agendas of the two governments around the need to develop the conditions for economic competitiveness, ensure equality in the provision of public services such as health, and reduce crime; not to mention the emphasis both leaders have placed on government transparency and accountability and on the need to ensure access to the US market. The visit—the second he pays to Mexico this year and which undoubtedly positions Mexico as a priority of foreign policy for the Harper government—reciprocated the visit Calderón paid to Canada as President-elect in late October.

That first encounter between Harper and Calderón in Ottawa served to establish personal contact between the two leaders; something important to demonstrate the political will to maintain and enhance the momentum created in the relationship in recent years and to further strengthen ties between the two countries. It also enabled the two leaders to exchange views on their respective foreign policy agendas, as well as on the main areas of interest within the bilateral relationship.

Without doubt, leadership and direction at the highest level are desirable and necessary conditions for the relationship to achieve its full potential; but support from below and from a variety of sectors of society is also key to ensure the achievement of results. Almost imperceptible in Canada, Calderón’s visit to Ottawa coincided with the 14th bilateral Parliamentary meeting and a meeting of the Canada-Mexico Partnership (CMP)—a framework, established in 2004, composed of ad hoc working groups between private and public stakeholders with the purpose of identifying opportunities and setting objectives to strengthen the strategic relationship bilateral relationship.

At the end of the inter-parliamentary meeting, legislators from both countries pledged to work on environmental issues, technology transfers, trade and schemes for managed migration. They also agreed to propose their US counterparts the establishment of trilateral parliamentary discussions on themes that could have regional impact. But more importantly, legislators demonstrated that the different parties represented in both legislatures agree to work toward the expansion and intensification of exchanges between the two countries. For its part, the CMP meeting served to assess developments

in the areas of competitiveness (including the goal of increasing trade by 50% by 2010), energy, housing, human capital development and agri-foods, and to potentially identify new areas of interest to be included under this framework.

Hence, those who have seen these visits exclusively as polite—yet symbolic—gestures have failed to perceive that in fact they are excellent signals in the bilateral relationship regarding the commitment to ensure continuity in the work undertaken under the CMP thus far; as first steps to map new areas of common interest and to set goals and strategies in response to the new domestic priorities of both governments (including security, energy and migration); and to better understand the challenges faced by each with respect to relations with the US.

Mexico is one of our most important trading partners and an important political ally in multilateral fora; political and social exchanges have increased since the signature of the North American Free Trade Agreement (NAFTA) and are likely to grow in the future. The challenge for us is to further build up on the successes achieved thus far in the relationship. Doing so requires that we are able not only to capture the essence of the relationship and that it becomes more visible to the general public, but also that we dare to imagine what we want from this relationship in the future.

This is indeed a strategic relationship and we should maximize its potential. ■

Olga Abizaid is Senior Analyst at FOCAL.

El Beneficio de la Duda

Sergio Ramírez

Nicaragua ha entrado en una de las situaciones más singulares de su historia con la elección de Daniel Ortega como presidente para los próximos cinco años. Ganó ante una cerrada oposición del 62% de los votantes, y el 38% de sufragios que obtuvo es su cifra personal más baja desde que compite como candidato. Sólo el pacto con el caudillo liberal Arnoldo Alemán pudo haberle dado esta posibilidad de ganar con una minoría de

votos, según la reforma a la Constitución que ambos acordaron en el año 2000.

Pero estas son las reglas del juego a las que los demás candidatos se sometieron, y según los organismos de observación nacional e internacional los votos parecen haber sido limpiamente contados por el tribunal de elecciones en manos del propio Ortega. Nadie puede discutir la legitimidad de la elección presidencial. Lo que el país debe enfrentar ahora es el complejo dilema de un jefe de estado que deberá gobernar desde la minoría, y que desde ahora despierta temor e incertidumbre. Y esos temores e incertidumbres no afectan nada más sus posibilidades de gobernar, sino la estabilidad misma del país, que depende de frágiles equilibrios económicos.

Para empezar, Ortega se halla en la necesidad apremiante de formar un gobierno nacional, con gente de distintos sectores políticos y sociales, pues no hay otra manera de desvanecer las desconfianzas, no sólo nacionales, sino también internacionales respecto a lo que su gobierno será capaz de hacer en el futuro. Dada su imagen populista, hay quienes temen que las políticas económicas, que pasan por la disciplina financiera, se verían distorsionadas por el gasto social sin control, los subsidios, y los créditos de pago dudoso a los productores agrícolas. Y hay otros que piensan, además, en el regreso de las expropiaciones y en las tomas de tierras.

El presidente electo parece estar consciente de esas limitaciones, y también de los riesgos que corre, que ahora no son suyos, sino de todo el país. Las banderas de la izquierda combativa, guardadas durante la campaña electoral, siguen sin ser izadas de nuevo, y su discurso frente a los banqueros y empresarios, con quienes ha mantenido constantes reuniones, es conciliador. Ha prometido que los acuerdos con el Fondo Monetario Internacional serán respetados, y lo mismo el Tratado de Libre Comercio con Estados Unidos, y ha invitado a los inversionistas extranjeros a confiar en que las reglas del juego no tendrán variantes abruptas.

Todo esto ha hecho que, contra los peores pronósticos, el clima del país siga siendo, hasta ahora, de tranquilidad. No se han reportado fugas de dinero hacia el exterior, y las actividades económicas y bancarias continúan en su ritmo normal. Y nadie parece estar deseando que ese clima se trastorne, ni que sobrevenga ninguna clase de inestabilidad, cuyos efectos no podrían sino ser catastróficos para una economía tan endeble, que depende en mucho de la cooperación internacional.

Hay aún, sin embargo, un tema que no ha sido completamente despejado, y es el que se refiere a las relaciones de Ortega con el gobierno de Estados Unidos, que intervino abiertamente en su contra en la campaña electoral. Gracias principalmente a los buenos oficios del presidente Carter, quien participó como observador en las elecciones, las declaraciones emitidas desde Washington se han atemperado, y tampoco desde las filas de Ortega se ha producido ningún exabrupto. Son progresos, pero las interferencias capaces de estimular de discrepancias, aparecen de manera ominosa en el horizonte.

Tanto el presidente de Cuba, Fidel Castro, como el de Venezuela, Hugo Chávez, han saludado la victoria sandinista como un triunfo contra el imperialismo, una palabra que sigue estando ausente, al menos en los últimos meses, del vocabulario de Ortega. Y si de observar buena conducta se trata, no le será cómodo aparecer, como muchos piensan que así será,

formando parte del eje de combate frontal contra Estados Unidos que ya forman Cuba, Venezuela, y de alguna manera Bolivia.

Las relaciones con Cuba tendrán seguramente un carácter más que nada político, y pocos serán capaces de asustarse por eso, sobre todo hoy que la guerra fría es un asunto lejano. Pero no es lo mismo con la Venezuela de Chávez. Ortega ha sido, por lo menos hasta antes de la campaña electoral, partidario de la Alternativa Bolivariana para la América (ALBA), inventada por Chávez, que busca abrir espacios de cooperación económica e intercambio comercial entre los países latinoamericanos, y que él mismo presenta como incompatible con el libre comercio con Estados Unidos.

Ortega deberá hilar muy fino para conciliar el tratado comercial con Estados Unidos, y la probable membresía de Nicaragua en el ALBA. Está de por medio el atractivo confite del petróleo barato, que es lo que Chávez ya ha ofrecido, y comenzó a enviar desde antes para favorecer a Ortega en la campaña. Y será sin duda un huésped frecuente en Managua, incómodo pero necesario.

Aunque muchos no lo quieran, la suerte de Nicaragua está ligada a la de Ortega por los próximos cinco años. Y aún aquellos que no quisieran verlo en la presidencia, le están dando el beneficio de la duda. Que pase de allí a disfrutar el beneficio de la confianza, será un asunto de los hechos. ■

Sergio Ramírez ha escrito numerosas historias y novelas y trabaja como periodista. Ramírez escribe para diversos periódicos de lengua hispana en el mundo, incluyendo *El País* en Madrid, *La Jornada* de México, *El Tiempo* en Colombia, *El Nacional*, *El Periódico* en Guatemala, y *La Prensa* en Managua. Sergio Ramírez vive con su familia en Nicaragua. www.sergioramirez.com

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