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Op-Ed

Haiti: Economic Growth and Violence

Carlo Dade

The two major preoccupations about Haiti held by those in and outside of the country will remain the same in 2007 as for the previous year: high levels of violence and low levels of economic growth. Achieving progress in lowering the former and raising the latter are both eminently possible though not to the degree that many would hope. Success in security and economic growth in Haiti is a matter of levels of expectation from the international community and Haitians and the greatest danger facing Haiti now appears to be that unrealistic expectations—the search for the “perfect”—will undermine progress or attempts to achieve what is possible.

Violence is a major problem in Haiti and one that dominates headlines abroad. Yet, historically, violence had not been a major issue in Haiti. The uses of violence in Haiti, as in many places throughout the Americas and Caribbean, had been concentrated in the hands of the State and official actors. An unfortunate side effect of the ending of authoritarianism in the region has been the privatization and concomitant proliferation in the use of violence by a wider variety of free agent actors. Haiti, though, appeared to have escaped this trend until recently. The rise of gangs and drug related crime had lagged in the country even through the Aristide years as has been noted by those on the right and even some on the left such as Patrick Élie, former Aristide security chief. Part of the reason seems to be the extreme poverty and weak state institutions. For whatever reason, the country was, up until recently, not awash in small arms, drugs and the “narchitecture” of questionable hotels, casinos and mansions that are the norm in other places in Latin America and the Caribbean.

Even today, Haiti stands out in comparison to the rest of the region for low levels of violence. Data of any sort from Haiti is difficult to come by, and that which is available is problematic. This is especially true with statistics on violence: what data is available comes largely from estimates made by human rights groups based in Port-au-Prince, which anecdotally is where overwhelming violence and especially murders are believed to occur. For example, in a personal conversation in 2005, David Beer, former head of the United Nations Civilian Police force (CIVPOL), estimated that over 90% of the murders in Haiti were committed in just three neighbourhoods in Port-au-Prince. According to a recent article by Alter-Pressé, estimates from a survey of human rights groups in Haiti put the 2004-2005-murder rate at about 950 per year. With a population of just over 8 million this would equate to a homicide rate of 11.5 per 100,000.

Comparing the homicide rate in Haiti with the rest of region yields some startling results. First the homicide rate in Haiti is about half the average in Latin America and the

Caribbean. This means that even if one were to discount the estimates of human rights groups in Haiti and double their numbers, Haiti would still only rank as average in terms of homicide from a regional perspective. More startling, the Dominican Republic with a slightly larger population than Haiti recorded 2,403 homicides in 2005 for a homicide rate of 26.7 per 100,000; the rate for Trinidad and Tobago in 2005 was 35.7 per 100,000 and for the Bahamas (2000) the rate was 19.6. Haiti compares even more favourably with the rest of the Americas. The homicide rate in El Salvador is 55.5 per 100,000, twice the average for Latin America. Honduras had an average homicide rate of 40.6 per 100,000 in 2006, and Guatemala had a rate of 37.5 per 100,000.

One thing is clear from the recent history of the Americas: once a country becomes accustomed to higher levels of violence and significant sectors of the population become acclimated to the business of violence, a diminution of violence and criminality is rarely, if ever, seen. In addition, levels of violence do not appear to be correlated to social spending, education levels

or income. For example, Nicaragua has less than eight murders per 100,000 population, while Costa Rica, where social spending by the government is among the highest in the region, has just 6.2 per 100,000—a rate of more than 1,500 people were murdered during the 20 months of March 2004–October 2005 inclusive. Thus, many of the facile answers tossed out in response to rising crime in Haiti (create jobs, expand education opportunities, and similar refrains) should elicit nothing more than pessimism.

The higher levels of violence in and of themselves are not alarming in Haiti. What are alarming, however, are the prospects for the future, given the presence of guns, penetration of criminal networks, transfer of technology and know-how of criminal gangs and the lack of any sort of speed bump on that growth. Unlike other countries in the region, in Haiti there are no speed bumps or regulators to forestall a rapid and out of control rise in crime. Haiti lacks a professional police force and a competent judicial system. The current UN forces in the country have neither the composition nor the mandate to conduct normal police activities such as investigations and they have weak intelligence capabilities. The UN has no authority to try and imprison suspects and the Haitian judiciary is unable to carry out these duties, while the penal system is even further behind.

Other countries in Latin America and the Caribbean with higher levels of violence and crime have, and are, experiencing economic growth. The Dominican Republic experienced double-digit growth last year, in Colombia gross domestic product (GDP) grew by 5% and Jamaica managed 3.5% growth. The relation between crime and economic growth is subtle and does not easily abide sweeping generalities. This was driven home in a conversation in Port-au-Prince with the management team of a major multinational firm that had been based in Kingston before coming to Haiti. Commenting about the crime situation in both countries and its impact on business, it was noted that even though statistics on crime and violence were worse in Kingston, the impact on business was more significant in Port-au-Prince. The difference seems to be that the police and courts in Jamaica are able to manage crime and keep it within predictable patterns and areas. In Haiti, no such predictability exists and businesses must invest more to protect themselves from random, unpredictable threats. That, in the end,

VENEZUELA

Venezuela's National Assembly composed entirely by Hugo Chávez' supporters approved on January 31 the "Enabling Law," conferring upon President Chávez the power to rule by decree for the following 18 months. During his swear-in ceremony, Chávez described this new legislation as one of the five engines to propel the next stage of the "Bolivarian Revolution: 21st Century Socialism."

The Enabling Law outlines eleven areas of national interest under the scope of the assigned presidential special powers. Chief among those areas are the economic and social sphere, where the law purpose is to "transform the current hegemonic capitalist economic paradigm;" and, the energy sphere where the aim is nationalizing the remaining joint ventures in the oil sector, and power companies. Other areas include national security and defence; finance and the tax system; and the transformation of State institutions.

Government spokespersons have already conveyed the president's plans to formulate somewhere between 40 and 60 new laws to be enacted by decree. Amongst the key changes mentioned are those that will affect the autonomy of the Central Bank, the territorial division of the country, the current elected local powers, and the scope and nature of the responsibilities of the armed forces.

Immediately following the law's approval, Chávez announced the nationalization of heavy crude operations along the Orinoco River, effective May 1. These operations are currently under management by partnerships including British Petroleum, Exxon Mobile, Chevron Texaco, ConocoPhillips, Total, and Statoil.

raises costs for business and drives off foreign investment in a way that high crime rates alone seem not to.

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CUBA

A lengthy interview with Col. Armando Pérez Betancourt, Executive Secretary of the Governmental Group for Enterprise Perfection (*Perfeccionamiento Empresarial*), published in the official newspaper *Granma* on January 23, has given some indication on what might be one of the components of Cuba's future economic policy. Col. Pérez Betancourt has been closely linked to the *Perfeccionamiento Empresarial*—a managerial method aimed at improving the performance of state-run enterprises that has been applied and promoted mainly by the Cuban Armed Forces for almost 20 years. Amidst speculation on what changes will be implemented by Raul Castro in regards to the economy, renewed attention to the long-standing *Perfeccionamiento Empresarial* program in official Cuban media seems to point towards continuity, at least for the moment.

Pérez Betancourt told *Granma* that a total of 844 state companies—32% of all Cuban enterprises—are currently functioning under the *Perfeccionamiento*, 77 of which are under military control. According to the Communist Party daily, another 500 are considering to start using it. In the interview, he praised the positive economic results of the *Perfeccionamiento* based on the data from 724 enterprises by the third quarter of 2006.

This method was introduced to counteract inefficiency and bureaucratic practices in state-run enterprises in the late 1980s, as part of an official national campaign called Rectifying Mistakes and Negative Tendencies (*Rectificación de Errores y Tendencias Negativas*), launched by Fidel Castro. It was also used later by some state companies to try to circumvent the big crisis of the 1990s. A program focused on transparency, clear accounting, and the systems of costs and payments, *Perfeccionamiento Empresarial* does not necessarily indicate further movement towards a freer market, privatization or the development of private cooperatives in non-strategic sectors—some of the policy changes that have been promoted by experts as solutions to the deteriorated Cuban economy.

Indigenous Peoples' Difficult Road to the Millennium Goals

Omaira Mindiola

The year 2015 has been set by the United Nations' member states as the target in the race to meet the Millennium Development Goals (MDGs). After the release of the Millennium Goals 2005 Report, the Indigenous peoples, as a sector of the population with a distinct perspective of their society, did not feel included in the MDGs, which aim to alleviate the evils that today affect the lives of millions in the world (famine, disease, malnourishment, the greenhouse effect, social exclusion, among others).

In the conclusions of the international meeting of a group of experts from the UN Permanent Forum on Indigenous Issues on the Millennium Development Goals, Indigenous Participation and Good Governance (5/26/2006), the participants maintained that the definition of development on which the MDGs are based does not contemplate the Indigenous peoples' priorities with regards to lands, territories and resources.

It stands out that the model of development proposed to meet the goals was designed around the exploitation of natural resources, the majority of which are located on Indigenous territories. It could be construed then that the Indigenous peoples, as the primary beneficiaries, would be in a position to reduce their own levels of poverty and improve their quality of life. But reality proves different as the Indigenous peoples' human rights are often violated when projects degenerate into conflict and communities are displaced from their ancestral homelands in the name of development. In the words of Kofi Annan in the foreword to the report, "We will not enjoy development without security, we will not enjoy security without development, and we will not enjoy either without respect for human rights." (Millennium Goals Report 2005, p. 3).

As far as the Indigenous peoples are concerned, the western approach to development runs counter to sustainable practices and sinks them even deeper into poverty due to the entailed loss of lands which, from their perspective, constitute the

basis of their subsistence and the foundation for their economic and social life. That is why, according to Victoria Tauli-Corpuz, Chairman of the 5th Permanent Forum on Indigenous Issues,.... In the standard perspective of development, humankind's relationship with natural resources is individualistic and private, and it is based on mercantile relations and the accumulation of material wealth; whereas in the Indigenous vision mankind is part of nature and its relations with all other creatures are based on reciprocity, maintaining balance and harmony. In other words, control of the lands and territories constitutes the spiritual and material foundation for Indigenous existence.

Under this perception, poverty and hunger cannot be quantified, least of all among the Indigenous peoples, who employ different symbols to denote well-being (e.g. the land and the control of his resources), adding a political connotation to the concept. If the Indigenous peoples are not immersed in a market economy, it is rather difficult to make a comprehensive income-based assessment of them since they are, for the most part, dependant on a subsistence economy. Indigenous poverty is "a multidimensional form of poverty that goes beyond the concept of poverty in terms of income (Rodolfo Stavenhagen, Special Rapporteur on the situation of human rights and fundamental freedoms of Indigenous people, 10/19/2005). However, for the sake of illustration, Inter-American Development Bank (IDB) estimates indicate that 25% of the 40 million people that make up the Latin American and Caribbean Indigenous population live below the poverty line.

Country studies like the one conducted by the Social and Economic Policy Analysis Unit of the Ministry for Planning and Development (UDAPE) of Bolivia, point out that "a lack of equity in national policies and the existing historical divides will not allow the Indigenous population to meet the Millenium Goals by 2015. According to UDAPE indicators, 24.1% of the non Indigenous population lives in extreme poverty, compared to 49.2% of the Indigenous people" (La Razón, 12/21/2006).

Although poverty statistics include the world's Indigenous population (370 million), suitable indicators remain to be established to measure progress reported by the states as they seek to fulfill the MDGs. A recommendation made by Indigenous representatives in different forums is the collection of data according to indicators tailored to the Indigenous perspective, as well as Indigenous participation in census counts. Aware of the absence of Indigenous issues in the formulation of the MDGs, as pointed out by the Indigenous peoples, the IDB "is taking initiatives to support the governments to ensure that in the second stage, from 2005 to 2015, they disaggregate their goals and indicators, and define targeted, socially-relevant policies and programs that take account of the gaps between the Indigenous and non-Indigenous population," said Marco Ferroni, Deputy Manager of the IDB's Sustainable Development Department, during the Fifth Session of the United Nations Permanent Forum on Indigenous Issues.

The scope of the MDGs is tied to the recognition and observance of the Indigenous peoples' rights as laid out by international legislation, their own norms in accordance to Indigenous traditions and customs, and national legal frameworks. It is participation in the decision-making process that

defines how to eradicate poverty through a social covenant. In other words, an exercise of democratic governability is required.

There remain in the Millenium agenda numerous tasks yet to be accomplished for the human development of the Indigenous Peoples, including:

The recognition of Indigenous customary law by national legislative systems. In some countries, Indigenous customary law has been barely recognized by legal and legislative reform during state modernization processes while, in others, it has been completely ignored by national legislative bodies, which has hampered real participation of the Indigenous peoples in the structure of government.

- The introduction of legal safeguards for the protection of Indigenous territories.
- Increased support for access to bilingual and intercultural education and health services in the recreation of cultural norms vis-à-vis the rest of society.
- The adoption of mechanisms for the resolution of conflicts generated by dispossession of the land and its resources.
- Incorporation of the Indigenous perspective in the design of strategies for the inclusion of the Indigenous peoples in development programs. In the words of Rodolfo Stavenhagen, "This multidimensionality of poverty that affects indigenous peoples [...] cannot be overcome with piecemeal measures and without the input of the communities themselves (Stavenhagen, *idem*).

For the road ahead, a true and effective commitment on the part of the states in the application of the MDGs for the inclusion of the Indigenous population would be reflected in the approval and adoption of the Declarations of the United Nations and the Organization of American States on the Rights of the Indigenous Peoples.

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Op-Ed

Talking Integration In Latin America

Vladimir Torres

In trying to identify the macro-trends in political developments in the hemisphere, three issues come to the forefront: 1) beyond Left/Right dichotomies, Latin American countries are in search of their own solutions to reconcile economic growth with poverty reduction with varying degrees of commitment to democracy and democratic institutions; 2) everybody in South America is talking integration, albeit from contrasting points of view. In the midst of a regional leadership contest, integration appears to serve all sides; and 3) the integration drive is mainly circumscribed to South America, thus deepening the North/South divide in the hemisphere, and comes at a time when the divisions between and within countries in Latin America are increasingly manifest.

More than twelve electoral processes took place in the hemisphere in little over a year, from the end of 2005 to December 2006. This fact in and of itself speaks to the overwhelming predominance of democracy, yet by no means accounts for the increasing threats to its stability and future consolidation in several countries. Rather than seeking to interpret the changing political realities in Latin America in terms of a shift to the Left, or the emergence of a “good Left” as opposed to a “radical Left,” I would focus on the region’s search for autochthonous alternatives aimed at reconciling economic growth and social development: some countries increasing economic and political openness, and others, in contraposition, returning to previous failed schemes.

This trend of new searches has been abundantly explained as a reaction to the perceived failure of Washington consensus policies—be it by design or implementation—to incorporate measures to reduce poverty and respond to the profound inequalities within the countries. The social component has come to the forefront of political attention, with an urgency that indicates Latin American’s patience is running thin. This renewed, widespread clamour has manifested itself through strong electoral showings of candidates perceived as better equipped to address it. The divisions between and within countries arise when the confrontation of political options departs from democratic boundaries, bypassing institutions, or when the differences are understood and portrayed as exclusionary ideological stances.

The options explored by different governments move along a continuum that has on one end increasing economic openness and trade development, complemented with social policies; and on the other, the return to state-centred economies with client-based social assistance programs. Although democratic institutions are strengthened alongside openness and conversely weakened by centralization and state control, in some cases the increasing political openness—that allows the participation of previously excluded social actors—has been exploited by those that disdain the democratic process, hence debilitating the institutions (*e.g.* the actions of Bolivia’s

President Evo Morales or Mexico’s defeated candidate Andrés Manuel López Obrador).

In light of this approach—the search for autochthonous ways—the resurgence of the integration discourse acquires different connotations. On the one hand some governments approach the process based on the rationale of furthering economic integration and strengthening the region’s competitiveness in the global economy. On the other, some prioritize the politicization of the process as the cornerstone of integration, leading up to a commonality in foreign policies based on ideological affinities.

The 31st Presidential Summit of Mercosur on January 19-20, 2007 highlighted the differences all too well. Attending the Rio de Janeiro gathering were the leaders of the founding members of the bloc (Argentina, Brazil, Paraguay and Uruguay), new full member Venezuela and associate members Bolivia, Chile, Colombia, Ecuador, while Peru’s Alan García was the only one missing. Beyond the internal problems affecting the bloc—such as the Argentina-Uruguay dispute over the paper mills, the dissatisfaction of the smaller economies with the way the bloc has dealt with the asymmetries, the Argentine objections to relaxing rules of origin—new problems arise from the distortion of the original objectives at the root of the *raison d’être* of Mercosur.

When Venezuelan President Hugo Chávez, calls for greater state intervention in the economies of the trading bloc, and Bolivia’s Morales expresses that the only economies that can grow are the anti-imperialists ones —both exalting the virtues of Chávez’s “Bolivarian Alternative” to free trade as an integration paradigm—these are expressions in clear contrast with the approaches of the other countries. When Brazil’s Luiz Inácio Lula da Silva places South American integration at the top of his foreign policy agenda, understood as a key component in his country’s aspirations for a greater political and economic role in global affairs, he speaks of integration based on free trade and competitiveness, not bartering schemes.

The Community of Andean Nations (CAN) has a similar share of bilateral impasses (*e.g.* Ecuador and Colombia over drug crops fumigation) and

discrepancies in development strategies. Peru and Colombia await the ratification by US Congress of their free trade agreements, whilst Ecuador rescinded its negotiations. The fledging Community of South American Nations encapsulates both the contradictions and divisions of Mercosur and the CAN, and yet, in these early stages when vague declarations of intent precede specific courses of action, all countries have expressed their commitment to integration.

Against this backdrop of divisiveness, a competition for the regional leadership is taking place and the integration talk serves all contenders. Regardless of the daunting obstacles to Latin American integration, this is the path currently favoured as the divide between North and South in the hemisphere is deepening. North America is being left out by South America, as *hemispheric* integration beyond our battered and tired Organization of American States is not on the regional agenda. Understanding this trend and aiming to take advantage of his country's geographical position, Mexican President Felipe Calderón has expressed how his economy will be reoriented towards Latin America (*AFP*, 25/01/2007)

For analysts listening closely to the "integration-talk" the key factors to track are the divisions stemming from contra-posed political and economic alternatives, and how these are playing out in the countries' domestic and international agendas. Is integration viable and under which criteria, with whom and what for? Are Latin American and hemispheric integration mutually exclusive? What would be the role of Mexico, at once part of North America and re-launched aspirant to a leadership role in Latin America? These and many other questions are yet to be answered.

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