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## The CARICOM Initiative towards Haiti – A Case of Small States Diplomacy

Colin Granderson

In April 1997, President Rene Préval made a formal request for Haiti to become a Member State of CARICOM. Following Haiti's formal acceptance in July 1999 of the terms and conditions of membership offered by the Community and the ratification by its Parliament of these terms and conditions, Haiti became a member of CARICOM in July 2002.

Among the terms and conditions accepted by Haiti were all decisions taken by the Conference of Heads of Government, particularly that taken in 1997 to adopt the CARICOM Charter of Civil Society, a human rights and good governance document. I indicate this to underline that the Haiti crisis was not initially viewed by CARICOM as a foreign affairs issue but as one that fell within the domain of community relations. On the CARICOM side, accepting Haiti's membership of the Community was viewed as helping to decrease Haiti's isolation in its Region, and in helping to reinforce Haiti's institutional capacity and political stability by offering the possibility of forging closer ties with neighbouring countries with which it shared many similarities, cultural and otherwise.

### CARICOM-Haiti Relations

The attention paid to the so-called CARICOM Initiative, the efforts of the Caribbean Community to broker, with the support of major players of the international community on the Haitian question, a resolution of the political impasse in Haiti, could lead one to believe that CARICOM was getting involved in diplomatic initiatives vis-à-vis Haiti for the first time. This is far from the case.

In 1986, CARICOM sent a delegation to Haiti to voice the Region's concerns over the then 15-year dictatorship of the Jean-Claude Duvalier. In 1990, the Caribbean Community supported the organization of democratic elections through the advisory services of five senior electoral officials and in November 2000 through the deployment of electoral observers. This particular initiative would cause tremendous political damage to CARICOM's credibility, as it was the only international presence for the presidential elections, a gesture the opposition would never forget, as it was perceived as blind political support for President Aristide.

CARICOM had also participated in the unsuccessful joint missions during the period June 2000 - April 2003 with the OAS to help resolve the post-2000 elections political stalemate. It also dispatched its own political missions under the leadership of Sir John Compton, the former Prime Minister of St. Lucia, as was the case in June and July

2000, or, as in January 2003, headed by the Foreign Minister of that country. It should be pointed out that under the “quasi-Cabinet” arrangement of the Caribbean Community, the Prime Minister of St. Lucia is responsible for matters relating to justice and governance.

Less well-known, and for obvious reasons, were the frank exchanges that took place behind the closed doors of the Caucus between the CARICOM Heads of Government and President Aristide during meetings of the Conference of Heads and during which Heads expressed their disappointment and concerns over the deterioration of the situation in Haiti. They also made clear to President Aristide that he was doing little to permit them to continue to give the Haitian government critical political support. In addition, CARICOM Member States refused to go along with an American-inspired initiative to invoke Article 20 of the Inter-American Democratic Charter in January 2002.

### The CARICOM Initiative

The concerns of CARICOM Prime Ministers over the situation in Haiti came to a head in December 2003, prompted by the deteriorating political climate characterized by intensifying political violence, the imminent approach of the bicentennial of independence and of the expiration of the mandate of most Parliamentarians. The impetus for CARICOM’s intensification of its political engagement in Haiti was, however, externally driven. During an unscheduled meeting with Prime Minister Manning of Trinidad and Tobago who was visiting the National Security Adviser, Condoleeza Rice, President George W. Bush requested CARICOM’s input in stabilizing the situation.

The ensuing activity, the so-called “CARICOM Initiative”, differed from previous CARICOM actions on Haiti in several qualitative ways:

- it was sustained;
- it was carried out at the level of Heads of Government;
- a novel mechanism was put in place—the Core Group—which acted on behalf of the whole;
- keenly aware of the difficulty and complexity of the situation and of the limitations of their collective political muscle as small states, the CARICOM Heads decided from the outset to seek the diplomatic support of key international players on the Haiti question. Consequently, the US, Canada, the OAS, the EU, and later France and the Francophonie Organization were invited to participate in the Initiative as active observers. The diplomatic and politically supportive role of South Africa through its close links with Jamaica should also be noted.

It should be noted that on earlier occasions the CARICOM Heads had taken the initiative of resorting to good offices to resolve grave internal political problems in Guyana (1997 and 1998) and St. Vincent and the Grenadines (2000).

The CARICOM objectives, endorsed by the international community, were basically two-fold:

- stabilize the political situation through a power-sharing device in which the opposition would participate and which would open the way for the delayed Parliamentary elections; and
- avoid the repetition of the Haitian syndrome (the “option zero”, i.e. get rid of the President when there was a political crisis) by helping the Haitians to find a pacific and political solution to their problems which would “preserve the rule of law” and not interrupt the constitutional continuity. In the eyes of CARICOM, this was in keeping with the principles of democracy and good governance enshrined in the Inter-American Democratic Charter, the Quebec Declaration and the CARICOM Charter of Civil Society.

However, the CARICOM Initiative immediately ran into a number of political problems:

- in the eyes of the opposition, CARICOM was not perceived as an honest broker and therefore lacked credibility. It was seen as being fully supportive of President Aristide who was a member of the club whose members were fully supportive of each other. CARICOM’s observation of the November 2000 presidential elections boycotted by the international community, and its public silence on the deteriorating human rights situation lent credence to this perception and to the sentiment that CARICOM was intervening to save Aristide’s political skin. It should be said that public criticism of the political failings of governments of member states is not the CARICOM way of doing things;
- in addition, the opposition parties and civil society, whose public demonstrations had been picking up widespread political support, were in no mood to compromise. In their view any compromise with the President would be interpreted by their followers as a betrayal of trust. In addition, they believed that political victory was within their grasp;
- the sad record of unfulfilled political commitments and broken promises of Aristide as well as the opposition’s fear of the man (“Even without teeth he would bite you”

as one opposition leader put it), constituted insurmountable obstacles;

- the timing and content of the CARICOM Initiative ran afoul, paradoxically, of US policy. The State Department held out high hopes for the home-grown initiative of the Catholic Bishops which had been launched in late November 2003 and which had been initially stymied by the pro-Lavalas attack on the University on 5 December. It was only when it became clear that the Bishops could not reach consensus that the US gave its full backing to CARICOM;
- the success of the armed groups in early February in Gonaives and later in the Central and Northern regions of the country was a watershed. Curiously, the CARICOM perception of the gravity of the security situation appeared not to be shared by the major international players;
- last but not least, CARICOM's strategy and tactics came face to face with the divergent interests of France and the US and the realities of *realpolitik* at the United Nations. CARICOM's request of the Security Council for a military presence to stabilize the security situation and to avert bloodshed was turned down. Three days later, after the US somersault on the CARICOM Initiative led to the resignation and abrupt departure of the President, the Security Council swung into action. The limitations of small states on the international stage were laid bare.

However, more seriously, it was made very clear once again that fundamental principles of democracy and governance took second place to political expediency and the interests of the powerful. The reaction of CARICOM Heads was consequently quite strong. In their view "the circumstances under which the President had demitted office set a dangerous precedent for democratically elected governments everywhere as it promotes the unconstitutional removal of duly elected persons from office". Perturbed by the contradictory reports surrounding the "demission from office" of the President, the CARICOM Heads called for an investigation under the auspices of the United Nations. They also underlined the importance of a return to constitutional and representative democracy in an acceptable timeframe.

### The New Haiti Policy

CARICOM's subsequent policy towards Haiti flows from the above initial reaction, from the importance they place on adherence to the principles of good governance and democracy, from their commitment to the People of Haiti, and from the consequences of several developments and *contretemps*.

The major elements of the present policy are as follows:

- Haiti remains a member of the Caribbean Community;
- the commitment to the People of Haiti. This has been operationalized by the establishment of a CARICOM Task Force to coordinate the provision of assistance in the areas where the Community has capacity, and participation in the meetings of the donor community. Relief assistance was provided following the devastating floods of last month;
- consideration of the issue of recognition has been delayed until the annual meeting of the Conference of Heads scheduled for early July.

Earlier resolution was inhibited by the public declarations of the interim Prime Minister and the disruption of relations between Haiti and Jamaica and CARICOM following Jamaica's offer of temporary refuge to the former President and his family in keeping with a long-established tradition from which Prime Minister Latortue himself had benefited earlier; and the interim PM's embrace of the armed thugs and prison escapees as "freedom fighters". However a number of goodwill gestures on both sides have taken place over the past two months and portend a thawing of the estrangement. Full realization of the CARICOM commitment to the people of Haiti has been made difficult by the present non-recognition of the transitional government;

- CARICOM participation in the Multinational Interim Force (MIF) was ruled out, but a pledge to contribute to the follow-on stabilization force was made. This contribution has been delayed by the non-resolution of the recognition issue. There is also the concern that because of strong anti-CARICOM sentiment in Haiti it may be unwise to send armed forces or police at this point in time;
- efforts to clarify the circumstances surrounding the demission from office of the former President continue. There was little joy to be had at the UN where it was made quite clear that some permanent members of the Security Council would not brook an investigation. A request to have Article 20 of the Inter-American Democratic Charter invoked benefited from the adoption of a resolution by the OAS General Assembly on 8 June in Quito. There is not a great deal of optimism that an investigation will eventually materialize. However, the ensuing debate in the Permanent Council should at least give the OAS the opportunity to reflect on its past efforts to foster democracy on Haiti and to adapt the mandate of the OAS Special Mission to the radically altered political and institutional environment on the ground in Haiti.

CARICOM's present position on Haiti is at odds with that of the majority of the international community, which recognizes the transitional

government. CARICOM's stance on Haiti has been a source of irritation to the US, the latest instance of policy disagreements over the past year between CARICOM and the United States. The latter has displayed its dissatisfaction by postponing two scheduled meetings in April with CARICOM on security, and on finance/development and environmental issues. There was also some coolness between CARICOM and Canada in the immediate aftermath of Aristide's departure. The presence in Port-au-Prince on 28 and 29 February of a heavily armed Canadian contingent sent to extract Canadian nationals raised some questions as to whether Canada was party to the France/US entente that the time had come for Aristide to demit office. The Canadian position that Aristide could not be part of the solution reinforced these suspicions.

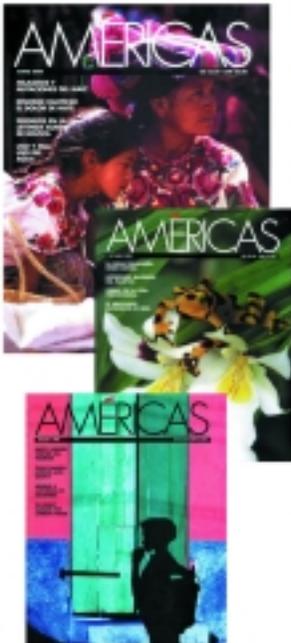
The Community is quite aware that the political support of the Region is vital for the decision-making of donors concerning the provision of the technical and financial support that Haiti so urgently requires. However, it does find itself in a bind in squaring its adherence to fundamental principles with the need for political pragmatism. As a grouping of small states, CARICOM strongly advocates the importance of multilateralism, the adherence to international law and to mutually defined and agreed norms and principles. These principles are the cornerstones of the foreign policy posture of the Caribbean Community.

The CARICOM position enjoys the strong support of the public opinion in the region. In Haiti itself and elsewhere it is perceived as support for Aristide, which is absolutely not the case, or as pique over being sidelined at the last moment by the US and France. CARICOM has made it clear that it sees

Aristide as the former President and has never called for his reinstatement. Some observers also hold the view that CARICOM is digging in its heels in response to the strong pressure exerted by the US to recognize the Latortue government.

In July 2004 when the CARICOM Heads of Government meet, the issue of recognition of the Latortue government will be high on the agenda. The recent decision of the Latortue government to send the Haitian Ambassador to Jamaica back to his post following the departure of the Aristide family is no doubt a positive development. At this Conference, Heads will have to reach consensus on striking a delicate balance between principle and *realpolitik* as an increasing number of them have been advocating.

The experience has been a chastening but salutary one for CARICOM. Some observers see the intensification of engagement in a Member State as a welcome deepening of the integration process. This engagement did however come very late in the downward political spiral in Haiti and was neither self-initiated nor self-sustained.



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The Community will undoubtedly draw several lessons from the experience. In his opening remarks to the April 2004 meeting of the CARICOM Council for Foreign and Community Relations in April of this year, the Secretary-General pointed out that one of the shortcomings of the Regional integration movement to date had been its inability to “take on in the true sense of the word, an ombudsman role with regard to the conduct of governance in the Community”. The point was made more forcefully by the new Chairman of CARICOM, the recently-elected Prime Minister of Antigua and Barbuda. In his opening remarks to the May 2004 meeting of the Bureau of the Conference of Heads of Government and of the Core Group he observed that “CARICOM’s studied aloofness from issues of governance within Member States appears to make concessions only when crises ignite”. He was not necessarily speaking of Haiti. Secondly, several Heads of Government hold the view that the CARICOM Charter of Civil Society needs to be given teeth by upgrading it from “a hortatory to an obligatory instrument”, a point also made by the Secretary-General.

CARICOM may also be impelled to put in place mechanisms to pay greater attention to a neglected aspect of good governance, the role of opposition leaders, a point made by the Prime Ministers of The Bahamas and of Antigua and Barbuda. As the latter underlined at the opening of the Bureau meeting, “It is a major anomaly that CARICOM appears to resolutely ignore the existence of democratically elected opposition leaders. This is a paradox within a dilemma in an organization comprised of parliamentary democracies”.

The political crisis in Haiti has underlined the need for better information flows within the Community, and in particular between Haiti and the remainder of the Community, in both directions. In the absence of well-informed reports and commentary, stereotypes and distorting simplifications will hold sway.

The Caribbean Community continues to believe that an opportunity was lost for Haiti to experience a new way, a pacific and political way, of resolving its political problems. Haiti needs to finally break with the traditional practices and attrition, which have been a stumbling block to its progress. It must begin to change leaders by the ballot and not the bullet, and thereby reinforce the incipient but halting steps that it has taken on the long and difficult road to democracy in 1990, 1995 and 2000 by the popular election of the country’s presidents.■

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## Venezuela’s Forthcoming Revocatory Referendum

Margarita López Maya

On Thursday 3 June, the National Electoral Council (CNE) announced that opponents of President Hugo Chávez’s government had fulfilled the requirements to activate a revocatory referendum on the presidency, in accordance with Article 72 of the Constitution. From this moment, both the government and opposition parties once again initiated intense organizing and mobilizing activities in preparation for the referendum, set by the CNE for Sunday 15 August, 2004.

The process that led to the activation of the referendum was rocky and tense, and has changed the face of the Venezuelan political landscape. It signified a political triumph for opposition groups, in particular for those committed to a democratic process, who previously had carried less weight within the opposition coalition — the *Coordinadora Democrática* (CD). These groups insisted that pursuing a constitutional revocatory referendum, and accepting the process of signature “repair”, not only made political sense but had potential for success. Somewhat begrudgingly, other opposition parties including *Primero Justicia*, *Proyecto Venezuela*, *La Causa R*, and more radical ones such as the *Gente de Petróleo*, at the last minute also accepted this process, acknowledging that it may ultimately generate more political dividends than a coup against the government, an oil sector strike, violent public protest or other previously-tried anti-democratic strategies. Also, there has been an apparent shift within the CD, towards an increasingly moderate discourse, even from those who had previously opposed the signature “repair” process. This may reflect growing space and support within the CD for those promoting dialogue and negotiation, and with it the potential for cooling the high level of political polarization. However it is still early to jump to any conclusions.

Internal tensions and contradictions within the government and its supporters, were apparent in the wake of the CNE’s announcement, which sparked violent outbreaks in Caracas, including attacks on the Mayor and private media outlets.

These were brought to an end when President Chávez officially accepted the CNE decision and called upon his supporters to begin organizing for the referendum. From his palace, the President, sporting his best smile and surrounded by religious and historical symbols, proclaimed the 1999 Constitution, which included legislation for the referendum now unfolding, as his foremost political triumph. He invoked the historic battle of Santa Inés during the 19th century civil war, and the famous poem *Florentino y el Diablo* (identifying himself with Florentino and the CD with the devil) in explaining his strategy and conveying the importance of the forthcoming referendum.

In terms of strength, the government finds itself relatively revitalized, in part due to previous political gains against the opposition and growing revenues from oil exports. The latter has enabled the government to implement broad social programs in the areas of health, education, and employment over the past year, which has also rejuvenated political support. Also, the President's charisma continues to draw support, as evidenced by the crowd of supporters that marched on the Sunday, following his Thursday speech. His call for support in the lead up to the referendum has been taken up by social and political organizations, which have begun work to ensure that supporters are recorded in the Electoral Register.

For its part, the opposition also wields significant resources. After collecting 2,541,639 votes—105, 556 more than was necessary, they must now not only obtain more votes than the government in the referendum, but receive at least 3,757,773. This will be a difficult but not an impossible task. The opposition's media-based resources are considerable, not only domestically but also among the international diaspora, and they have succeeded in creating an unfavourable international opinion towards the Chávez government and the processes now unfolding. Their lobby in the U.S. has been extremely effective, and their support from President Bush has been explicit—although this could be a disadvantage among the more nationalist sectors that are opposed to the recent actions of the US. The opposition also has economic resources not only from private domestic interests, but also public and private sources in other countries, which support their commitment to weaken the Chávez government—this is the case for support provided by the National Endowment for Democracy for organizations such as *Sumate*, *Asamblea de Educación* and *Consortio Justicia*.

The CNE, despite internal divisions and questions about its neutrality, has been able to sustain its credibility as the principle arbiter. Maintaining legitimacy, cohesion and commitment as democratic arbiter is crucial for the outcome of the referendum to be accepted by all parties in Venezuela. International political actors—considered “observers”—such as the Carter Center and the OAS will also play an important role legitimizing, or not, the CNE results. Ultimately, Venezuelans can expect two tough months of increased polarization, which will hopefully result in a clear referendum outcome, ideally leading towards a less polarized, more tolerant political climate and decrease in the resentment and violence that has preceded it. ■

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## Ecuador: Gutiérrez Walks the Alliance Tightrope

Judy Meltzer

Despite playing host to international gatherings including the Miss Universe contest and the Organization of American States (OAS) General Assembly, Ecuador's President Gutiérrez remains beset by political and economic problems, and rumours about his fate ranging from impeachment, coup and even self-coup, persist.

One of President Gutiérrez's foremost challenges lies in maintaining the fragile alliances that remain within Congress and his own coalition, the *Partido Sociedad Patriótica* (PSP), which have been slipping away since he took office. The PSP holds only nine of one hundred seats in Congress. The PSP's original alliance with the indigenous party *Pachakutik*, and the *Movimiento Popular Democrático* (MPD) collapsed after approximately six months in office. In the case of the latter, policy differences were manifested in open dissent and finally the defeat by *Pachakutik* congressional representatives of a public service reform bill, introduced by the PSP, on the grounds that it potentially threatened workers rights (FOCAL POINT, 08/03). The last vestiges of support from Ecuador's indigenous organizations were severed last month, when the Confederation of Amazonian Indigenous Peoples (CONFENAIE) ended their alliance with the Gutiérrez government, due to increased resentment over unfulfilled commitments. Instead, CONFENAIE has again thrown their support behind national indigenous umbrella organizations—the Confederation of Indigenous Nationalities of Ecuador (CONAIE) (Latin News 11/05/04). The consolidation of indigenous support will likely increase political dissent against the President, who had leveraged previous rifts between key indigenous organizations to minimize their impact on his administration.

Not only has President Gutiérrez's relationship with former coalition members further deteriorated, but the strategic alliances that he tentatively held with deputies from dominant parties in Congress have also weakened. Both

the *Partido Roldosista Ecuatoriano* (PRE) and the *Partido Social Cristiano* (PSC) have distanced themselves from the President. The conservative PSC, with which Gutiérrez had formed an uncomfortable alliance, has officially withdrawn its support, and has expressed its intention to seek constitutional means to change the government (Latin News, 08/06/04). Calls for impeachment can also be heard from *Pachakutik*, the MPD and other left-leaning parties including the *Izquierda Democrática* and the *Socialista* party. Although there are not yet sufficient votes to pursue this—i.e. two thirds of Congress, it would likely only take slight shifts in alliances to do so (Latin News, 01/06/04).

President Gutiérrez is also facing new internal rifts within his PSP cabinet, and the continued high rotation of ministers exacerbates the political and administrative crisis he faces. In addition to the ongoing stand-off with his own Vice President, Alfredo Palacio, he fired the Minister of Social Welfare, Patricio Acosta on 24 May 2004, after the U.S removed Acosta's visa on allegations of corruption (Latin News, 08/06/04). Several days later, on 28 May, the Minister of Agriculture Salomón Larrea, resigned, citing personal differences (La Hora 23/06/04). He has been replaced by well-known indigenous leader Antonio Vargas, whose appointment is perceived by many as a tactic to divide the indigenous opposition, rather than an effort to reconcile differences (Latin News, 08/06/04) This latest change of hands perpetuates the instability associated with the agricultural portfolio; since taking office in January 2003 Gutiérrez has replaced six Ministers of Agriculture.

In perhaps the most significant change to date, the Minister of Finance and longtime advisor to the President, Mauricio Pozo, was forced out of his post in early June. As the exception to the rule, he had occupied this position since the beginning of the administration but was forced to leave in the wake of public sector protests against his austere economic agenda and the loss of support of deputies from key parties in Congress. A catalyst in his departure was the recent inquiry into whether he used social security funds to pay down the fiscal deficit (Global Insight, 02/06/04). Pozo has been replaced by Mauricio Yépez, former head of the Central Bank, who has both promised to pursue the economic agenda of his predecessor, but also provide resources for social programs and poverty alleviation.

Ironically, it is the issue of corruption—identified as a foremost challenge and hemispheric focus at the recent OAS General Assembly in Quito—that may lead to Gutiérrez's downfall. In addition to ongoing investigations into illegal campaign funds, including allegations that Gutiérrez's campaign had received drug money contributions and external financing from Mexico's *Partido del Trabajo* (PT) (FOCAL POINT, 04/04), Gutiérrez faces new allegations by private oil companies that he bribed officials from Ecuador's state oil company, *Petrocomercial*, to sign service contracts (Latin News, 08/06/04). These charges may ultimately allow his political opponents to garner sufficient support for impeachment, and if so Ecuador's unfortunate habit of ejecting Presidents before the end of their term will persist.■

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## The Commission for Assistance to a Free Cuba: Campaign Fantasy or Credible Blueprint?

Daniel P. Erikson

George W. Bush is hardly the first U.S. president to denounce Cuban president Fidel Castro and profess his support for democracy in Cuba. Indeed, this has been a staple view of ten American presidents since Castro took power in 1959. In May 2004, however, President Bush distinguished himself from his predecessors with the report of the Commission for Assistance to a Free Cuba. Chaired by Secretary of State Colin Powell with participation from senior members of the Bush administration, the commission produced a strategy totalling more than 500 pages that outlines steps for hastening the end of Castro's regime and facilitating the emergence of a democratic government on the island.

At first blush, the Commission for Assistance to a Free Cuba appears to have all the hallmarks of a political effort to shore up support for the Bush administration in South Florida's fractious Cuban-American community in the midst of the 2004 presidential election campaign. President Bush announced the initiative in the fall of 2003, in part to stem growing discontent in Miami surrounding U.S.-Cuba policy. Many Cuban-Americans were dismayed with the Bush administration's tepid response to Castro's mass arrests of Cuban dissidents in the spring of that year. Worse, the U.S. government sparked a crisis of confidence by mishandling several high profile migration cases in the summer of 2003. In one episode, the U.S. negotiated with the Cuban government to secure 10-year prison terms for boat hijackers captured trying to escape the island. Soon thereafter, the U.S. Coast Guard intercepted and sank a Chevy truck on pontoons that was attempting to drive across the Florida straits – and promptly returned the would-be refugees to Cuba.

By August, these and other cases had initiated a public relations firestorm against the Bush administration in Miami. This culminated with an

open letter from Cuban-American members of Florida's state legislature to President Bush, warning that without greater attention to Cuba, "we fear the historic and intense support from Cuban-American voters for Republican federal candidates, including yourself, will be jeopardized." Given President Bush's razor-thin margin of victory in Florida of 537 votes in the 2000 election, the White House views the Cuban-American vote as crucial to the presidential contest in 2004. Thus, in October 2003, Bush announced several new measures on Cuba policy, including the formation of the Commission for

Assistance to a Free Cuba that would "plan for the happy day when Castro's regime is no more and democracy comes to the island."

U.S. domestic politics fuelled the creation of the Powell Commission, but it would be a mistake to dismiss this exercise as merely a campaign fantasy with few real world implications. In fact, the report reveals a great deal about how the Bush administration perceives the best course for U.S.-Cuba policy, the preferred nature of transition, and the presumed role of the U.S. in a post-Castro Cuba – in areas such as meeting human needs, establishing democracy, free market reforms, modernizing infrastructure, and environmental protection. Cuba is also repeatedly described as an imminent security threat to the United States, and the report asserts that Cuba is a "state sponsor of terror" and reaffirms controversial claims that the island has "a limited, developmental offensive biological weapons research and development effort." In short, the Powell Commission is a political document with significant policy repercussions.

The report clearly illustrates that the Bush administration views U.S.-Cuba policy as an exercise in ratcheting up pressure on the Cuban government in an effort to provoke its demise. In that spirit, the U.S. government has directed a US\$ 59 million grant to implement several of the commission's recommendations, including increased funding for anti-Castro broadcasts by Radio and TV Marti, aid to dissidents on the island, and an international public diplomacy campaign to promote the U.S. view that Cuba is a dangerous rogue nation. In an effort to deprive the Cuban government of hard currency, new U.S. regulations limit Cuban-American family visits to once every three years (instead of once annually), reduce the allowable per diem to \$50, and restrict remittances to direct family members who are not affiliated with the Communist Party.

The Powell Commission assumes that a democratic transition will take place in Cuba after Castro, but it avoids depicting any specific transition scenario. As a result, the report creates an unsettling level of ambiguity. Despite occasional references to a "peaceful transition," in many sections the report anticipates violence, warning that food supply may be disrupted and

## Mexico

On 7 June 2004, Vladimir Putin became the first Russian president to pay an official visit to his Mexican counterpart, Vicente Fox. Presidents Putin and Fox worked on a number of trade and investment issues and discussed the feasibility of collaborating in world affairs. One of the main outcomes of the visit was Mexico's commitment to buy natural gas from Russia. Both presidents also expressed an interest in sharing technical knowledge in the areas of oil exploration, processing and transportation. President Putin also offered Russian investment and expertise in developing a liquid gas plant in the state of Baja California to redistribute gas to Mexico and the United States.

Despite the constitutional restrictions to private investment in the Mexican energy sector, openings in the electricity sector and in the distribution of natural gas which were created during the Ernesto Zedillo administration (1994-2000) have attracted the attention of foreign companies. For instance, the Federal Electricity Commission (CFE) awarded a contract to the Shell Group for the construction and operation of a liquid gas plant in Altamira, on Mexico's Gulf Coast. However, further investments in the energy sector are dependent upon the success of the ongoing energy reforms proposed by President Fox. The failed attempt to pass an energy bill in 2002, which would have allowed partial private investment in the production of electricity and in some segments of the gas sector, underscores the need for Mexico to build domestic consensus around these issues (Financial Times, 08/06/04).

The meeting between these two leaders was also important in promoting bilateral cooperation in world affairs. Mexico and Russia are amongst the biggest non-OPEC oil producers, although in the last few years they have coordinated their policies with OPEC members to stabilize oil prices. Most recently they have agreed to boost production and exports of petroleum to match OPEC's planned increases amid sky-high prices. As part of their political agendas both countries declared their interest in working together on the reform of the United Nations Security Council, terrorism, drug-trafficking, organized crime, disarmament, and the devolution of sovereignty to Iraq. More importantly, they discussed Russia's petition to join the World Trade Organization and Mexico's interest in obtaining a permanent seat at the U.N. Security Council (Reforma, 08/06/2004).

that children and teenagers will need to be kept off the streets during the emergency phase of transition. The accompanying White House press release states that the top U.S. policy objective towards Cuba is to “bring an end to the ruthless and brutal dictatorship.” Taken as a whole, the report implies that the Bush administration sees peaceful change in Cuba as a possibility, but not a mandate.

Most dramatically, the Powell Commission anticipates a major role for the U.S. government in the political, economic, and social life of the country – in areas as diverse as property restoration to Cuban exiles, adoption and family services, and painting dilapidated schoolhouses. In the depth and scope of the presumed U.S. commitment, the report evokes Secretary Powell’s “Pottery Barn Rule”: if you break it, you own it. Of course, if the history of U.S.-Cuba politics is any guide, the Cuban government is not so easily uprooted. In the short term, at least, the Commission for Assistance to a Free Cuba is unlikely to destabilize Fidel Castro. Nevertheless, the report presents a controversial blueprint for Cuba’s future that is predicated on squeezing the Cuban government and precipitating a sudden transition, with the expectation that the United States government and Cuban exiles will take centre stage in remaking Cuban society.

But it remains unclear whether the Powell Commission has succeeded in its principal aim of boosting support for Bush in southern Florida. The decision to restrict family visits and further regulate remittances is strongly backed by Miami’s anti-Castro stalwarts yet is deeply unpopular among other sectors of the Cuban-American community. The White House has calculated that opposition to these measures is confined to recent Cuban *émigrés* with little political or financial clout and moderate Cuban-Americans who have largely thrown their support behind Democratic nominee John Kerry. Thus, the Commission for Assistance to a Free Cuba is designed to solidify support among the Republican Cuban-American base without creating an unwelcome backlash in November. Is this calculation correct? George W. Bush may have gambled his presidency on the answer. ■

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Daniel P. Erikson is director of the Inter-American Dialogue’s work in the Caribbean, and focuses on the Cuban economy.



## High Level – Low Output: The Quito General Assembly

John W. Graham

The mood at the 34<sup>th</sup> General Assembly of the Organization of American States (OAS) was cranky and the debate too often shallow. Even before it began, the meeting was assured of an uneasy start when the host government chose corruption as the central theme – an area, according to every taxi driver in Quito, with which the government is all too familiar. The Declaration of Quito was largely an inventory of existing conventions and agreements and a trumpeting of the forthcoming ministers meeting on this issue in Managua.

Although US Secretary of State Colin Powell appeared briefly and made a positive intervention, there was a sense in some meetings that the Americans were not listening much and therefore not engaged in the traditional consensus dynamic. Venezuela was less of an issue and Venezuela less of a spoiler than expected. When Chavez’s representatives are not dropping polemical bombs, the Venezuelans can be astute players at these meetings, squeezing political advantage from their petroleum arrangements with Caribbean Basin neighbours. Ambassador Valero, the head of the Venezuelan delegation, threaded his way skilfully through issues such as the destabilizing price of gasoline and the Venezuelan proposal on a Social Contract which the delegation apparently envisages overtaking the Inter-American Democratic Charter.

A new Secretary-General, former President Rodriguez of Costa Rica was elected by acclamation. The outgoing Secretary-General, Cesar Gaviria, gave what was perhaps the best speech of the Assembly, highlighting real achievements, but not overlooking the impediments to democratic advancement, which he described as still deeply rooted in regional cultures. However, virtually all heads seemed firmly planted in the sand on the OAS’s financial crisis, which unless action is taken soon, will see the proportion of funds taken up by salaries and pensions (now at 60%) consuming all operational

monies of the OAS's regular budget. The Canadian delegation was successful in securing the highest number of votes for Ambassador Jean-Paul Hubert, a candidate for the Inter-American Judicial Committee.

The session, at which civil society had an opportunity to present its views to assembled foreign ministers and heads of delegations, was the most successful of these meetings since their inception 5 years ago – successful in that a wide range of views, including those of Ecuadorian indigenous organizations, were expressed. However, with few exceptions, the responses from the foreign ministers were not directed to the issues raised. Participants were gathered in a troubled Andean setting. Yet, if it were not for the anger and candor of indigenous civil society, delegates would not have heard the Andean crises raised at these meetings.

The most divisive issue was not Venezuela, or corruption or the Andean countries. It was Haiti – and the debate was not about what is to be done. Beyond the usual bromides that Haitians should be less poor and more democratic, there were no fresh practical initiatives on how to lift Haiti out of the morass. The most heated issue was the fracture within CARICOM countries on whether the interim government of President Latortue should be recognized – and from Latortue, whether he should work with those neighbouring countries which have not granted him official recognition and been disrespectful of him. Tough, protracted negotiations finally produced the first grudging steps towards reciprocal recognition – the one signal achievement of the Quito General Assembly, an achievement that paradoxically underlined the failure of the General Assembly to address one of the hemisphere's most serious and immediate issues.

FOCAL and others have repeatedly made the point that without timely, forceful, and committed advocacy, discussions at the United Nations (UN) and the OAS on Haiti will lose focus and that country will “slip from the forefront of international conscience.” We know from experience in other turbulent regions that the world has a short attention span and that a key factor for even limited success in chronically destabilized areas such as Bosnia, Kosovo, East Timor or Liberia has been the ability to take decisive advantage of the media spotlight. Four months have passed since Haiti dominated the news and six weeks since catastrophic floods on both sides of the Haitian/Dominican frontier briefly diverted attention back to Haiti. Emergency relief is flowing. Brazilian, Chilean, French and Canadian troops are on the ground. There is relative quiet, but little progress. Criminal gangs have not been disarmed and Haiti's lucrative narcotics transshipment operations have not been dismantled. The onus for coordinating the rebuilding of Haiti has passed from the OAS to the UN, where it has stalled. The UN Secretary-General has not yet appointed a permanent representative in Port-au-Prince.

Canada is not neglecting Haiti. CIDA, Foreign Affairs and National Defence actively collaborate on relief. Yet there is no international leadership, backed up by long-term donor support on a scale required to lift Haiti from a deepening abyss of poverty, disease, and rising contempt for Western

political norms. The window for leadership and adequate donor response is closing. ■

John W. Graham is the Chair of the FOCAL Board of Directors.

## FOCAL Abstracts

### **The Achilles' Heel of Latin America: The State of the Debate on Inequality**

*By Florencia Jubany and Judy Meltzer*

Increasingly, Latin Americans no longer believe that democracy is able to improve their lives in a region where 40% live in poverty, and the richest one-tenth owns almost half of the wealth. The growing understanding of the tight links between gaps in income and opportunity, and prosperity and political stability is changing the debate on inequality in Latin America. This paper seeks to assess the state of the debate and policies to reduce inequality, among the region's academics, non-governmental organizations, governments, and multilateral institutions. It draws upon discussions on tackling inequality in Latin America held in 2003 and early 2004 at multiple fora across the Hemisphere. What emerged is a growing consensus that Latin America's high inequality has constrained economic growth and underlies much of today's social and political instability. Moreover, the need to devise specific policies to reduce the equity gap within and between societies consistently appears in hemispheric discussions as a prominent, if not primary concern, irrespective of ideological preferences or geography. Considerable attention is thus allocated in this paper to tested and untested strategies to redress the equity gap. The paper discusses various aspects of education and tax policy, which are widely considered prime avenues to increase levels of equity. It also examines the heated debate on how to liberalize trade and integrate economies to collectively elevate the wealth of the region's population, and

how to ensure that gains are shared broadly.

Finally, it considers the implications for Canadian policy.

This document can be downloaded at:  
<http://www.focal.ca/images/pdf/inequality.pdf>

**Reminder:** We wish to remind our readers the next issue of FOCAL POINT will be a combined July-August edition and will appear in August 2004.

Have a great summer!



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

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