



FOCALPoint

Canada's Spotlight on the Americas

Canadian Foundation for the Americas | Fondation canadienne pour les Amériques | Fundación Canadiense para las Américas

www.focal.ca

June 2008, Volume 7, Issue 5 ISSN 1703-7964

Peru FTA signed, Colombia next?

Canada's Secretary of State for Latin America and Peru's Minister of International Trade and Tourism signed the Canada-Peru Free Trade Agreement on May 29 in Lima, Peru. Canada's ministers of labour and the environment promoted the labour and environmental side agreements as examples of how trade agreements can "work hand in hand" to respect core labour standards, the environment and corporate social responsibility. The government said it plans to have the treaty approved by parliament for implementation on January 1, 2009. Merchandise trade between Canada and Peru was \$2.5 billion in 2007.

The free trade agreement with Colombia is the next in line to conclude negotiations and be signed, likely this fall.

Ecuador's Mineral Crossroads: Canada's Commitment?

Ian Harris

Ecuador's Constitutional Assembly surprised the mining industry on April 18 when it passed its mining mandate. This mandate supersedes the mining law and international investment agreements under which mineral concessions were granted and investments made. The document lays out provisional regulations for mining activities and will remain effective for 180 days, or until a new mining law can be elaborated.

President Rafael Correa has explained that the mandate is necessary to allow the government to get its house in order and ratify new regulations so that responsible mining can proceed unimpeded.

Despite Correa's assurance that Ecuador supports responsible mining as an essential development tool, the mandate is worrisome. Among the more serious prescriptions are the 180-day suspension of all exploration activities and the cancellation of 80 per cent of mining concessions. The concessions are to be reverted to the state without compensation, although the president has hinted that they may be returned under the new law. The mandate leaves the Ministry of Mines and Petroleum with the difficult task of implementing the confusing and ambiguous terms laid out in the document, and leaves the rattled mining industry to recover.

In the three-day period leading up to the mandate vote and its subsequent approval, Corriente Resources Inc. and Aurelian Resources Inc., two of the larger Canadian exploration companies with 100 per cent exposure in Ecuador, lost

(Continued on page 3)

No Consensus on PEMEX Reform 4

Olga Abizaid analyzes the responses of Mexico's political parties to the President's reform plans.

Will More Poverty Change Policy? 6

Amélie Gauthier questions the World Bank president's idea that the food crisis is an opportunity.

Rocks Ahead for Canada? 8

Carlo Dade looks at what an Obama win means for NAFTA and the moral hazard for donors in Haiti.

Migrant Families Access Health 10

Barbara MacLaren writes on a program to give migrant workers' families health benefits.

Editor's Note	2
Mexico trains U.S. union leaders	4
Agricultural land	6
Unasur forms	9
Interpol report	15

Note from the editor

Canada has made a reputation for itself in the Americas and worldwide as a country with a fair judicial system willing to share its experience with those who are reforming their own systems.

In Jamaica, Canada is working with the authorities to improve the capacity of the justice system and develop alternative dispute resolution. In Haiti, Canada is working with the Ministry of Justice, the judiciary and the penal system. In Peru, Canada has helped to establish an ombudsman able to monitor the rule of law and promote and protect human rights.

Millions of Canadian aid dollars are going to ensure citizens in these and other countries are fairly treated, tried in a timely way, have equal treatment before the law, are considered innocent until proven guilty, and able to review the evidence offered by prosecutors in order to conduct their own defense. In Canada, these are considered basic rights and on a moral level, Canadian values.

The May 23 Supreme Court of Canada ruling that granted alleged terrorist Omar Khadr the right to see the records of interviews of him conducted by Canadian officials while he was imprisoned in Guantánamo Bay, Cuba, affirms these Canadian values. That these same Canadian officials shared the results of these interviews with his jailers, violating his rights as a citizen under the Canadian Charter of Rights and Freedom, and that he had won the right to view these documents in a lower court, but faced an appeal by the federal government, must be confusing to Canada's justice partners in the hemisphere.

That Khadr is the youngest citizen of a Western country remaining at the Guantánamo prison who is facing trial by a U.S. military court of questionable legality that intends to try him without handing over the unedited evidence used by the prosecution, should have people scratching their heads. Why is Canada letting this happen to one of its own citizens, when it is so contrary to Canadian values?

The May 13 exchange between parliamentarian Jason Kenney and Senator Romeo Dallaire, a former Canadian general who witnessed the Rwanda genocide, during a hearing that discussed Khadr's case demonstrates that anti-terrorist ideology, not policy, is behind Canada's approach.

"The minute you start playing with human rights, with conventions, with civil liberties, in order to say that you're doing it to protect yourself and you are going against those rights and conventions, you are no better than the guy who doesn't believe in them at all," said Dallaire.

Kenney rebutted by asking whether Canada's treatment of Khadr was the equivalent of an al-Qaeda attack that was widely (and incorrectly) reported to have used a disabled woman as the suicide bomber. Senator Dallaire's response was clear thinking. "You're either with the law or not with the law. You're either guilty or you're not."

Dallaire is not taking this position to be an apologist for al-Qaeda or score political points. He is just being Canadian. His call for equal treatment under the law has resonated with Canadians, particularly visible minorities, who are concerned that when they go abroad, they might not receive consular assistance if there is trouble. The rendition case of Maher Arar made this fear a real possibility.

That the Supreme Court has helped Khadr secure documents that may or may not help him defend himself is a small advance, after six years in a harsh foreign jail. Now it is the Canadian government's turn to consider whether its desire to be a stalwart ally in the war on terror has meant that it is straying from the Canadian values it seeks to export to the Hemisphere. 🌐

FOCALPoint Editorial Board

Editor-in-Chief

Peter Moore

Associate Editor

Leslie Fillion-Wilkinson

Intern

Zelena van der Leeden

Peter Moore

Ecuador's Mineral Crossroads *(continued from page 1)*

over \$830 million in market capital. These companies and others are lobbying to protect their investments and to make their voices heard in the new law. The industry has held a series of meetings with the Ministry of Mines and with the President and his advisors, and is hopeful that an acceptable agreement can be reached.

This disruption has come during a difficult time for Ecuador. Ecuador and its 13 million inhabitants are no strangers to the ravages of political and economic instability.

Since its formation in 1830, Ecuador has rewritten its constitution 19 times and in 2007 elected a Constitutional Assembly to write number 20. Ecuador has lived through a series of armed conflicts with its neighbours, ceded territory, and ousted its last three democratically-elected presidents mid-term. This turmoil has made progress challenging.

Ecuador needs economic growth. According to SIISE, the national organization of economic indicators, 38.3 per cent of all Ecuadorians live below the poverty line. In rural provinces such as Zamora Chinchipe and Morona Santiago where more than \$100 billion of mineral resource has been identified, the situation is

worse: crushing generational poverty afflicts over 60 per cent of the population.

Moreover, economic growth is sluggish and complicated by inflation and a lack of jobs. According to the Central Bank of Ecuador, annual inflation hit 8.2 per cent in April, while the national census showed

The current precarious circumstances present an opportunity for Canada to collaborate with Ecuador, ease the transition to a new legal framework, and protect Canadian investment.

that unemployment and underemployment reached 52 per cent. In addition, economic growth in 2007 was 1.9 per cent and total foreign investment added up to only \$178 million. This situation is in stark contrast to neighbouring Peru and Colombia with nine per cent and seven per cent growth and foreign investment of \$5.3 billion and \$9 billion, respectively.

Recent polls show that Ecuadorians are feeling the crunch. When asked to rank the most important issues facing the country, the top three responses were "high prices" (29

per cent), "unemployment" (20 per cent), and "poverty" (13 per cent). This is a shift from the usual favourites of "corruption" and "political conflicts". It is unclear whether these traditional issues are improving, or if the social rifle is simply pointed at the wolf closest to the door. Despite escalating oil prices filling government coffers and increased social spending, popular attention is focused on economic issues.

Though Ecuador lacks industrial scale metallic mining, its potential is impressive. Mining exploration companies, the majority of which trade on the Toronto Stock Exchange (TSX), have identified more than \$200 billion in mineral resources at current metals prices. This figure

has been well disseminated and has been incorporated into the national discourse, including the President's weekly radio address. It is not surprising, therefore, that Ecuadorians are looking to mining as a tool for development. In a recent poll announced on the national television show "24 Horas", 80 per cent of the population of Ecuador's two largest cities, Quito and Guayaquil, support mining industry development.

This is consistent with a December 2007 poll by DataAnalysis that showed a nationwide mining approval rate of 74 per cent.

The current precarious circumstances present an opportunity for Canada, an international leader in renewable and non-renewable natural resource development, to collaborate with Ecuador, ease the transition to a new legal framework, and protect Canadian investment. Since the 1990s, Canadian exploration companies have invested hundreds of millions of dollars in Ecuador. According to the TSX, 49 per cent of all Canadian investors own mining stocks. The TSX and TSXV represent 57 per cent of all mining companies worldwide, of which 1,056 operate in South America.

While the Canadian Embassy in Ecuador has worked tirelessly to affect change in the mining policy—including facilitating high-level meetings between Canadian mining companies and President Rafael Correa—the impacts have been limited. What may help is a clear signal of concern and interest from Canada about the future of the mining industry and Canadian investment in Ecuador, and direct assistance in establishing a modern, responsible mining industry.

The Canadian government has the opportunity to strengthen ties, bolster investment, and promote desperately needed development. Progressive, environmentally responsible, long-term job creation is Ecuador's best chance for eradicating poverty, improving income equality, and bettering the overall social well-being of its citizens. 

Ian Harris is Senior VP of Ecuador-Corriente and General Manager of Ecuador Operations for Corriente Resources Inc.

The Embassy of Ecuador has agreed to provide an article with its view in the next FOCALPoint.

No Consensus on PEMEX Reform

Olga Abizaid

A modern, transparent, sustainable, more competitive and efficient company is everybody's desired outcome from a reform of *Petróleos Mexicanos* (PEMEX), Mexico's state-owned oil company.

It is in the fine print, however, where parties diverge and where political calculations begin to play a role.

Indeed, for some time, all major stakeholders have pointed to the many challenges facing PEMEX, recognizing that the status quo is not sustainable. Despite being the tenth most important firm in the field worldwide according to its revenues—estimated in 2008 at approximately US\$97.4 billion by Forbes—PEMEX is losing ground vis-à-vis other companies. Burdened by a stringent tax regime, an onerous collective agreement with the union, the lack of management autonomy and trans-

parency, increasing debt obligations, as well as an insufficient budget to undertake the investments needed in maintenance, infrastructure and research, PEMEX has seen its crude oil reserves, production and exports dwindle in recent years. The tally is not any better in refined products and petrochemicals: forty per cent of the gasoline consumed in Mexico is imported and investments in the petrochemical industry have been meagre for decades.

The sense of urgency, however, has come with the steady decline of production in Cantarell, Mexico's most important oil field, coupled with a very low rate of replacement of oil reserves. To cope with Cantarell's decline, PEMEX has engaged in the recuperation of inland fields, in the development of other offshore fields in the Gulf of Mexico and hopes based on finding reserves in deep waters.

Mexican government trains Mexican union leaders living in the U.S.

The Mexican Institute for Mexicans Living Abroad, a government agency, hosted in Mexico City a four-day information session for 32 labour union leaders of Mexican origin residing in the U.S. The Mexican government held the session in order to have a "frank discussion" with union leaders who are daily advocating for the labor rights of Mexican immigrants in the U.S. and identify areas for cooperation. "Today, American unions constitute one of the main promoters of a reform that would allow the migratory regularization of approximately six million undocumented Mexicans," said a press release, issued by the Mexican foreign ministry. About forty per cent of these workers are in construction.

But when it comes to deciding policy options to face those challenges, the consensus immediately disappears. The role of PEMEX in the country's development, the use of oil revenues, the participation of private investment, the governance regime, and the constitution are all themes within a passionate debate between parties and experts in the Senate foregoing the deliberations of the bill in the next legislative period.

The intensity of the discussions is not surprising. PEMEX is not just the country's most important corporation, it is a symbol of national sovereignty. Hence, any decision about it is mostly a political one, particularly with a minority government.

Thus, the fate of President Felipe Calderón's bill to reform PEMEX is to endure the differences between political parties throughout the law-making process, and their short-term calculations in the run up to the mid-term and presidential elections of 2009 and 2012, respectively.

That is why the government has embarked on an aggressive public diplomacy campaign and tried to gauge what type of initiative would be palatable to the legislators — particularly from the Revolutionary Institutional Party (PRI)— before sending the bill to the Senate. The bill submitted was drafted to ensure support from other parties' legislators in both chambers, knowing that the closer the mid-term elections

are, the fewer chances it has of being approved.

That is precisely what former presidential candidate Andrés Manuel López Obrador wants. With a nationwide tour, the creation of popular brigades to defend PEMEX, and by exerting pressure through the Congress, he continues his two-prong strategy to block the government and to project himself into the

PEMEX is not just the country's most important corporation, it is a symbol of national sovereignty.

presidential race in 2012. To balance the protests in the streets and opposition in Congress, however, may prove to be harder over time.

After a year of confrontation, legislators from the Party of the Democratic Revolution (PRD) are finding it difficult to reconcile their position as elected representatives with the use and dismissal of institutions by their former candidate. The PRD is likely to be punished in the ballot boxes for that, risking having its public funding slashed. Moreover, the contested leadership race in the

PRD, where a faction close to López Obrador clashed with another, has left the party at the brink of breaking apart.

At the time of writing, the new leadership —not close to the former candidate— hinted about the need for a PRD reform initiative that differs from the proposals made by López Obrador. So far, however, the "defence of PEMEX" has kept the PRD united. Will López Obrador care remains an open question. What we know is that he will continue his movement in the streets.

The last ace is in the PRI's hand. With 33 senators and 106 deputies —out of 128 and 500 respectively— it could determine the future of the bill. This privileged position will, no doubt, give them a lot of leverage in Congress during the deliberations in both chambers.

More importantly, by portraying the party as the defender and promoter of PEMEX and as a responsible party, respectful of institutions, the PRI may also have a competitive edge vis-à-vis its main competitors in the elections of 2009. To seize that opportunity, the PRI must have a common position beyond their rejection of amendments to article 27 of the constitution.

Currently, there are four groups with different views: 1) legislators, who favour an integral reform of PEMEX; 2) governors from oil-producing states seeking to develop

their refining capacity and private investment in those areas permitted by law; 3) the party leader who does not oppose the participation of private investment but does not promote it either; and 4) old-school PRIistas who oppose private investment in refining and the management of pipelines. As the debate unfolds and the deliberation of the bill approaches, the PRI will have to declare its position.

Obviously, as they go back to the negotiating table, all parties will be attentive to what the polls say. To date, Mexicans seem to be torn about the bill: 29 per cent were in favour of Calderón's proposal, 27 against, and 44 were undecided (Ipsos Bimsa, *El Universal*, May 12, 2008).

Meanwhile, the debate about the reform of PEMEX broadcast live on TV until July promises to be an interesting prelude to the deliberations of the bill in Congress. 🌐

Olga Abizaid is a Senior Policy Analyst at FOCAL. She is currently on maternity leave and can be reached at oabizaid@gmail.com.

Will Millions More People in Poverty Really Change Agricultural Policies? Focus on Haiti

Amélie Gauthier

Robert Zoellick, President of the World Bank, recently published an article in *Le Monde* on the world food crisis stating that it was an opportunity for progress – rather an optimistic way of looking at millions more people sinking into poverty.

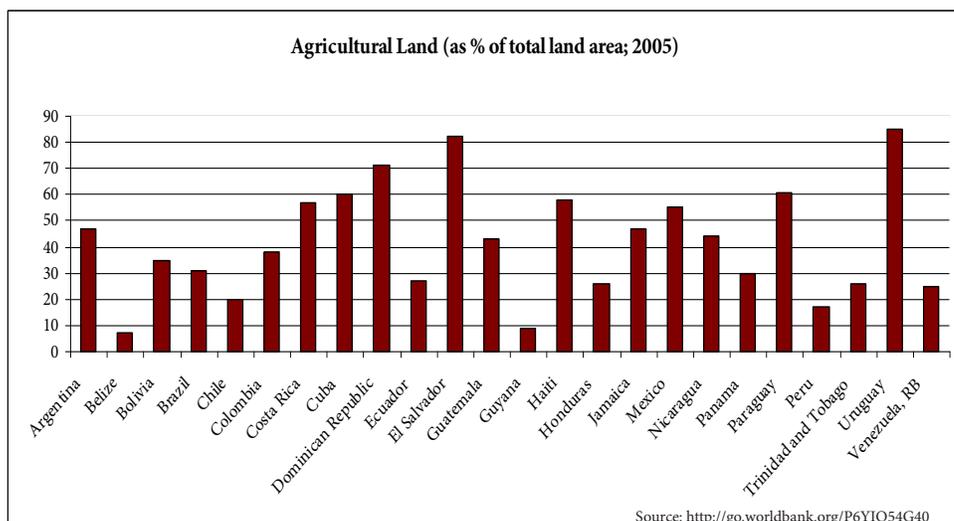
One thing is clear: a report by the OECD-FAO predicts that prices will remain high and volatile for the next decade. The crisis is massive, with short and long-term effects. The international community seems to have grasped the extent of the crisis, with wide-ranging responses. But will the plight of Haiti and many other countries have a real effect on agricultural policies? Can we expect promotion of food sovereignty, subsidies of seeds and fertilizers, new uses of energy, and developing countries that are net importers to become net exporters?

Haiti is one the many countries to have suffered severely from the rise

in the cost of staple foods. Demonstrations in major cities have turned into violent riots, and gunshot victims and protests against the United Nations peacekeeping operation are only a few of the immediate effects of the crisis. The government has been paralysed since the removal from office of Prime Minister Jacques Edouard Alexis, with still no new elected candidate at the time of writing. While President Préval and other politicians are in consultations about a new nominee, the government is unable to address the current crisis, and political instability is thus deepening.

Global phenomena have particular effects in countries such as Haiti, depending on the degree of national production, dependency on world markets, and imports. Unfortunately, Haiti has very low national production levels: it barely meets 20 per cent of internal demand for rice. Haiti spends 25 to 30 per cent of the national budget on food imports because it needs to buy more than 50 per cent of its food from foreign markets.

The country's food deficiency is not new. Structural Adjustment Programmes imposed by the World Bank and the International Monetary Fund in the 1990s forced market liberalization on Haiti and other countries. Coupled with bad financial management, this has had disastrous consequences for the domestic economy. Cheap imported rice from



highly subsidized production in the United States has destroyed the local economy. Haiti imports 200,000 tons of rice per year from the U.S., more than half of its annual consumption. It is the fourth largest recipient of U.S. rice exports, after Japan, Mexico and Canada.

This situation probably explains why there have been no incentives to boost the agricultural sector in recent years. Instead, the United States Congress has just signed the Haitian Hemispheric Opportunity Through Partnership Encouragement Act (HOPE) which allows duty-free entry for certain Haitian products. In reality, it aims to take advantage of low cost labour in the garment industry.

The future is grim. More and more Haitians are eating mud cookies three times a day to survive. The thousands of jobs promised by the controversial HOPE Act are raising no eyebrows; Haitians know well it will probably not materialize, or if it does, that it will come at a price. There have been numerous responses to the food price crisis, notably the creation of a high-level United Nations task force. Individual governments are funding different bilateral and multilateral instruments, all aimed at addressing different aspects of the crisis and long-term food production.

What is clear in Haiti is that there has finally been a much-needed shift in the political discourse. Boosting agriculture and creating jobs are at last taking centre stage. After initial delays in responding to the food riots, Préval's first measure was to subsidize by 15 per cent the price of rice bags in collaboration with the rice importers. The president recently announced that development will

be his priority in the second half of his mandate, focusing on infrastructure, aid to farmers, and increasing cultivable land.

International organizations and the countries of the Group of Friends of Haiti are responding through different measures, from job creation programmes and paid salaries by USAID in Les Cayes, to distribution of fertilizers, budget support, and funding for the World Food Program to facilitate doubling its meal distribution.

The National Strategy Document for Growth and Poverty Reduction that was elaborated jointly by the government of Haiti and the international community, mainly under the auspices of the World Bank, is the "road map" for economic and human development to, ideally, pull the country out of poverty. However, over the next three years, the plan would require \$3.9 billion to implement the four pillars it contemplates.

Agriculture and rural development is the second priority in terms of resource assignment to the growth factors pillar. However, only 10 per cent of the total budget is allocated to agriculture and rural development.

Following the crisis, the Haitian authorities might want to review and make sure sufficient funds are allocated to agriculture. Sixty per cent of the population depends on agriculture and it represents only 33 per cent of the GDP. The inefficiency of this sector will require a large amount of resources and political support.

Haitian civil society needs to remain active. University students in agriculture and peasant organizations have already warned the gov-

ernment that they will monitor its actions.

Haiti needs a coherent plan for food security, the use of natural resources, and managing international aid. Focusing solely on agriculture and energy security is not enough. A long-term strategy to integrate Haiti into the regional and international systems is absolutely essential for this country if it is to avoid remaining an aid-dependent state forever.

The food crisis is a major concern for many countries and is still making the headlines in the media months after the demonstrations. Are the measures only a quick fix? Will the measures help Haiti and other countries become food exporters? Is there political interest in helping countries like Haiti become self-sufficient? As the Haitian Ambassador and ECOSOC president Léo Mérorès said in a statement, countries agree on the need for policies that can turn "a threatening situation into an agricultural renaissance."

This contradictory idea of the President of the World Bank, that a new deal for global food policies will contribute to sustainable and largely shared development, will also need to address the powerful economic and trade structures of the international economy.

Haiti does not need more free market formulas. It needs time to strengthen a minimum level of productivity that will provide food, basic goods and, increasingly, national employment. 

Amélie Gauthier is a Researcher for the Peace, Security and Human Rights program at the Fundación para las Relaciones Internacionales y el Diálogo Exterior (FRIDE) in Madrid, Spain.

Canada and Latin America: Rocks Ahead?

Carlo Dade

Eleven months since Prime Minister Stephen Harper's visit to Chile launched Canada's new foreign policy focus on the Americas, and the government has only now approved a Memorandum to Cabinet, assiduously and arduously prepared by the Department of Foreign Affairs, outlining exactly how this strategy will be realized.

However, as Parliament leaves for summer recess in anticipation of a fall election, two new developments in the region, in addition to the commodities shock and food crisis, will profoundly impact the government's desire to re-engage in the hemisphere and need to be given some consideration over the break

NAFTA: prepare to re-negotiate

The most serious challenge for Canada may in fact come from the U.S. presidential election. The likely Democratic nominee and favorite to win the election is Barack Obama.

More disturbing to Canada and the region than Obama's strong support of the 2008 Farm Bill, universally denounced as a setback to the global development agenda, is his apparent conviction to renegotiate

the North American Free Trade Agreement (NAFTA). Conventional wisdom among pundits first suggested that Obama's anti-trade and anti-NAFTA stance was mere election-year posturing. However, Obama has spoken out too strongly and too often about renegotiating for it to be dismissed.

As his position has endured and

Even though NAFTA renegotiation would likely not touch current security and open board arrangements, labour, agriculture and softwood would be fair game.

hardened, it is interesting to now see a second line defence emerge amongst US election analysts that "his room to maneuver will be limited." The emerging evidence, however, doesn't support this. One can sense a shift among his advisors as they believe they are constructing a new coalition not bound by what is conventional. There are few better

or more politically profitable opportunities for Obama to demonstrate this than by promising to renegotiate NAFTA as he positions himself against free-trader and NAFTA supporter John McCain.

Even though NAFTA renegotiation would likely not touch current security and open board arrangements, labour, agriculture and softwood would be fair game. For Canada, other than obvious panic and turmoil, a NAFTA renegotiation could well derail FTA negotiations with Panama, the Dominican Republic, Central America and the Caribbean as personnel and attention at Foreign Affairs would be focused on damming the NAFTA breach. However, if the US position toward FTAs does harden, then a Canadian FTA with Colombia, which should be ratified early this fall, would become an important signal to the region about Canada's commitment to free trade and significantly enhance Canadian prestige.

Haiti: Stray Bullets, Innocent Bystanders and Moral Hazard

The recent progress in Haiti is being threatened by a resurgence of

the dangerous, narrow-minded and petty politics that have proved so damaging to the country and donor engagement in the past. This trend, as with so much in Haiti, has gone largely unnoticed in Canada.

The April 1 shooting on the floor of the Haitian parliament during a debate over members' alleged gross abuse of tire allowances (one parliamentarian managed to rack up charges for 87 tires in one year – 82 more than the allowance) is not surprising given that, as reported in *FOCALPoint* two years ago, the type of cars and delegate per diems were among the first matters debated by the then just reconstituted Haitian parliament.

In addition to the tire scandal, it has recently been reported that parliament has a staff of 700, including departments with more senior management than employees. Clearly the massive flows of aid pumped into parliament by foreign donors, including Canada, need more oversight.

More worrisome are attacks against members of the Haitian diaspora who volunteered to serve in the country's reconstruction. Haiti is so bereft of talent, skills and

sources of income that this is truly alarming.

The Haitian diaspora are among the best educated and trained of the population and remit over US\$1 billion annually, several times more than all forms of official development assistance. Yet, recently, the vice president of the Senate, Rudolph Boulos, one of the few senators who took a pay cut to serve in the Senate, was literally run out of the country because his colleagues suddenly took issue that he was born in the U.S. and carries an American passport. That he was born of Haitian parents who happened to be in the U.S., that he has spent the vast majority of his life in Haiti, and that he has served ably and admirably, was of no concern.

In the same vein, parliament's rejection of President Preval's nomination of Inter-American Development Bank official Ericq Pierre as Prime Minister is equally disturbing. His nomination was greeted with universal acclaim as an individual of undisputed competence, passion and professionalism, who knows the country well and could inspire confidence among donors. Yet, he was rejected by parliament because

he could not find his grandmother's birth certificate in Haiti's National Archives. Rejecting his candidacy over something so materially insignificant is a sign that parliament's attention is not on advancing the country's governance and development agendas.

If the Haitian parliament has so little concern for the country, then it is donors who are once again left to hold the bag. One should not be surprised if some pause to reconsider their engagement. Given the large percentage of the national budget and operating expenses that come from foreign donors, it is important that donors and the government work with seriousness of intent and purpose. This is not a question of sovereignty; it is a question of partnership. Donors are keeping their end of the bargain, parliament is not.

That things overall are not worse is to the credit of donors, such as Canada, the Haitian diaspora and a small cadre of government officials, who have done a remarkable job of keeping the country afloat. Yet, the donor mantra that "Haiti cannot be allowed to fail" appears to have resulted in a moral hazard conundrum

South American leaders form Unasur

The leaders of 12 South American countries met in Brasilia, Brazil, on May 23 to sign a treaty that launched the Union of South American Nations (Unasur), a continental bloc modeled on the European Union.

The new South American parliament would sit in Cochabamba, Bolivia, with a permanent secretariat in Quito, Ecuador. Plans to establish a central bank, a common currency, regional passport and a security council are on the table. The signing went ahead, despite security tensions and economic differences between Venezuela, Ecuador, Bolivia and Argentina which are ramping up state intervention in their economies and free market-oriented Colombia, Chile, Peru and Brazil.

Building regional cooperation will be a challenge, according to Rubens Barbosa, Brazil's former ambassador to the United States. "The region's political map has changed and many leaders in power are pursuing national policies that overwhelm their regional commitments."

as Haitian parliamentarians and politicians calculate that the cost for their mistakes, inaction, intransigence and misconduct will be borne by donors who repeatedly return to rebuild, so they act accordingly.

Yet, the Haitian political class should be aware that donors for the most part have a limited interest in supporting Haiti. Only the United States is firmly committed to Haiti by geography and hard national interest.

Other donors, Argentina, Brazil, Chile and Canada, are all in Haiti through some combination of contrived interest and idiosyncratic whim. To remain engaged, these donors will need to justify their development spending and that means progress must be made.

This moral hazard issue must be recognized and addressed. One partial solution will be to increase economic growth and job creation. With no other real sources of potential income or advancement in the country, there is incessant pressure to use government for rent seeking and personal gain. This pressure will not disappear overnight, but some real concentrated effort to advance economic growth and job creation could offer some release.

Canada will need to keep its eyes wide open this summer as its biggest trading partner and biggest aid recipient in the hemisphere veer closer to changing course. 🌐

Carlo Dade is FOCA's Executive Director.

Securing Health Services in Guatemala for the Families of Migrant Workers

Barbara MacLaren

Guatemalan migrant workers who travel to Canada for work receive provincial healthcare coverage, but the families they leave behind have little or no access to healthcare of comparable standards.

The Guatemala office of the International Organization for Migration (IOM) has launched an independent health program with a private healthcare provider to address this gap for migrant workers to Canada.

Initiated from a partnership between the IOM and private Guatemalan health care provider Empresa Promotora de Servicios de Salud, the program was created in order to improve access to basic health care services for migrant families, while empowering the migrant workers to improve their financial skills and know-how.

Families of migrant workers often spend a large proportion of the remittances received to pay outstanding loans and buy food and clothing. Finding the money to meet family health and education needs can often be difficult.

Families have the choice of three health care plans. The basic plan, which costs US\$36 per year, covers medical visits, paediatric care and gynaecology. The premium plan, for a considerably higher fee of US\$450, covers maternal and specialist care. By comparison, it costs a Guate-

malan worker US\$150 to apply for a Canadian work visa. Guatemalan workers must enrol with the service provider and pay for their health packages before they leave for Canada. The program is also offered to Guatemalan families of migrants to the U.S. who have the additional perk of not having to pay upfront for their families' health coverage.

The IOM's head of mission Guntner Müssig said this program is innovative for three reasons.

First, a key principle underlying the program is to ensure equity of access to basic health supports between dependents of migrant workers and the migrants themselves. This means that the families of temporary workers who enjoy provincial health coverage in Canada deserve the same type of care at home. This is no small feat: virtually all of the Guatemalan migrant workers applying to work in Canada under the guest worker program come from rural areas that have poor or no public health care services.

Second, since the vast majority of Guatemalans who work abroad are men, the beneficiaries of the health program are mainly women, the wives of migrant workers who remain at home with their children.

Third, through the technical assistance offered by the IOM, migrant workers can learn about the health options available to them through

migration and how to go about the application process.

The program's first evaluation is underway, and, if successful, the IOM hopes to extend the program to include a component on educational savings that would save a portion of each remittance transfer into a separate fund. When their children reach the age for secondary school or post-secondary education, the investment can be put toward partial or full coverage of school fees.

Nevertheless, some risks and practical barriers exist to achieving the program's goals. First, is the question of whether or not inclusion in the program is premised uniquely on participation in Canada's Temporary Foreign Worker Program. If this is the case, there is the real risk of exacerbating inequalities and hostility between the families of migrant workers and the non-migrant population in local Guatemalan communities.

Second, there is the question of migrants becoming ineligible after joining the program, such as those who develop long-term health problems or are injured on the job in Canada. Workers wishing to come

to Canada undergo a two-day medical screening process on an annual basis, and can be inadmissible based on risks posed to Canada's "public health", such as being tuberculosis-positive. If refused on this basis, what

A key principle is to ensure equity of access to basic health supports between dependents of migrant workers and the migrants themselves.

happens to the families of workers who fall short of such screenings?

Third, there is no guarantee that all migrants will be able to pay for the coverage offered by the program, particularly since they must pay upfront for the whole year's coverage. Then there are also cultural barriers, such as the preference for traditional health remedies (shaman visits, for

instance) that reduce the likelihood that families of migrant workers will use private clinics.

Another important question is whether or not this type of program takes the pressure off the Guatemalan government to provide and improve health services in rural areas.

Although migration is a decision that is premised on many different factors, the program could conceivably help create dependence on sending family members away for part of each year in order to sustain these higher standards of living and family expectations. If health care services are lacking locally, should it not be offered to every resident and not just part of the population? These questions need to be addressed sooner or later.

For the time being, however, the IOM is making an earnest attempt to address a pressing need among the migratory population in Guatemala, and those interested in managed migration and public policy affecting migrants should continue to watch this initiative closely. 

Barb MacLaren is Project Manger for the Labour Mobility and Development project. She can be reached at bmaclaren@focal.ca.

Scratching the Surface of Social Protection for Migrants

Eleanor Sohnen

Estimates place more than 28 million Latin Americans and Caribbean peoples living outside their country of origin.

Although 79 per cent of migrants from the region go to high-income OECD countries, according to Dilip Ratha of the World Bank, migration researchers and development and social policy specialists are increasingly focusing on South-South migration flows in the Americas: Nicaraguans to Costa Rica, Paraguayans to Argentina, Bolivians to Chile, Haitians to the Dominican Republic.

Much remains unknown about migrants' access to social services and the portability of social security and health benefits across the region. While social security agreements between states in the region have multiplied over the last decade, recent research has estimated that only 3.7 per cent of Latin Americans residing abroad have access to social security benefits and "advanced portability" regulated by bilateral agreements. However, there is a deep chasm between regularized and irregular (undocumented or "il-

legal") migrants with respect to accessing services, which exacerbates undocumented migrants' heightened vulnerability to labour market exploitation, exclusion from health services, and other risks faced in

ation do not normally have access to Canadian public health facilities, but would not be denied emergency treatment. According to the International Labor Organization's 2003 International Labor Migration Survey,

even legal temporary foreign workers in Canada may have to pay a small fee for medical consultations. In Mexico, irregular workers would only be treated in an emergency. All foreign workers –temporary and permanent– in Brazil, Chile, Ecuador and Uruguay have free access to medical and public health services, but in Colombia only regularized migrants have access, while in Bolivia, services are available only to foreigners with permanent residency.

Most countries in South America also

extend the right to public education to migrant workers' children, but in some cases, such as Brazil, irregular migrants do not enjoy this benefit. In Argentina, where the government is actively attempting to broaden migrants' access to social benefits,

All foreign workers, temporary and permanent, in Brazil, Chile, Ecuador and Uruguay have free access to medical and public health services.

the host country. In cases where migrants' access to services is protected by law, discrimination and lack of documentation often hinder their right to access them.

To illustrate this point, temporary foreign workers in an irregular situ-

domestic measures enacted in 2004 allow nationals of Mercosur countries to use public education and health services as well as to vote in municipal elections if they possess an Argentinean national identity card. This is obtained with proof of the migrant's nationality, a process which can take a year or more.

Since many countries in the region are just beginning to address or have not yet begun to address the social protection of migrants, it may be premature to speak of best practices.

Yet the International Organization for Migration, the International Labour Organization, and other multilateral agencies emphasize the potential of bilateral agreements to protect the rights of migrants. According to migration scholar Philip Martin of the University of California at Davis, Canada's Seasonal Agricultural Workers Program is perceived by many in the migration management field as a best-practice model for a number of reasons.

The program operates via memoranda of understanding between governments, government agencies in the sending countries are in charge of recruiting workers thus minimizing head hunters, and, while the program encourages circulation (ie. workers must leave at the end of their work contracts), farmers may identify workers they wish to return to work on their farm year after year.

In terms of social protection, workers are guaranteed pension plan contributions, vacation pay, workers' compensation insurance and health-care coverage, although they are exempted from certain labor protections – such as overtime pay and the freedom to change jobs.

Accessing these rights remains a problem, however, and workers are often wary of claiming entitlements because they may not be asked to return the following year. Martin also identifies the case of the agreement between Guatemala and FERME (a Quebec-based foundation representing more than 350 employers), which provides health insurance and access to medical services for the workers' families back home, as a potential effective practice.

In the wake of social and economic crises in Colombia and Ecuador in the late 1990s, migration flows from those countries to Europe, particularly to Spain, increased sharply.

An evolving Spanish strategy in managed migration policy, known as "co-development", takes the perspective of migrants as agents for development in their home countries. *Agricultores Solidarios*, a circular migration project run by the farmers' union of Catalonia, Valencia, and Mallorca, is a good example of this paradigm.

In the first stage, seasonal workers are recruited in Colombia and Spanish and Catalan government employment agencies organize their travel and employment contracts that range from between five and seven months.

In the second stage, seasonal workers can receive training in language skills, computer and financial literacy. Those who are identified as having entrepreneurial or leadership potential receive training and support to develop productive initiatives to improve their communities of origin.

Examples of projects started by return migrants in the third stage of the program and co-financed by the union include a dairy cooperative, a

women's baking collective, and the marketing of local products such as passion fruit and quinoa.

While these stand out as interesting practices in managed migration with great potential, a great deal remains unknown about this topic. The lack of data on migration has been compounded by an inability on the part of many governments to build comprehensive migration policies and programs into their overall development strategy.

In general, bilateral agreements seem to be a promising model to ensure both migrants' access to social services and circularity, but these are not without their own pitfalls. On the one hand, they may end up severely restricting the freedom of workers; on the other hand, if guest-workers are recruited for permanent jobs, the mismatch may mean that "temporary" migrants overstay their contracts. This can represent an opportunity for migrants and their families, but can also make them vulnerable to abuse by employers, and may strain often overloaded social service systems.

Ultimately, policymakers and researchers in Latin America and the Caribbean must come together in a dialogue about how to incorporate migration management into the larger picture of development, in order to ensure both the social protection of their citizens abroad as well as that of foreign nationals within their borders. 

Eleanor Sohnen is an independent consultant in the Social Protection and Health Division at the Inter-American Development Bank. She holds an MA from the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University.

Mexican Military Not a Long-term Solution to Drug War

Alejandro Sánchez Nieto

The ongoing assassination of high-level security officials by drug cartels is undermining President Felipe Calderón's administration, despite the deployment of 24,000 troops to supplant the out-gunned and corrupt police force on the front line against the cartels.

That three police chiefs last month requested political asylum in the U.S. for fear of being killed by cartel hit men demonstrates the depth of the problem. While some criticize Calderón for failing to address the underlying social and economic reasons behind the cartels'

growing power, he has little choice but to maintain armed pressure on the cartels and investigate the extent of corruption affecting the country's police forces.

Mexico's cartels bolder

In addition to economic wealth, Mexico's cartels now have a significant number of skilled hit men and former soldiers who bring sophisticated military tactics, enabling them

to fight turf wars with other cartels and the government. Some of these cartel soldiers call themselves *Zetas* and include former members of the Air-Mobile Special Forces Group. "The cartels' arsenal is more mod-

to the "narco-balkanization" of the country, as the cartels gain influence among the general population.

The news that a faction of *Zetas* has recently declared the forming of its own cartel is worrisome. An official of the Drug Enforcement Agency (DEA) told the Mexican daily *El Universal* that the *Zetas* "can beat any cartel currently known and become a real national security problem for Mexico and the United States."

Calderón's gamble

Does the Mexican military have the capacity to take on the cartels? The desertion rate –100,000 desertions in the past eight years, according to a May 8 *Wash-*

ington Post article– and the number of former soldiers working for the cartels casts doubt on the integrity of the military as an institution. While this pattern of desertion is not new in the Mexican military, deserters are increasingly enticed to join the cartels in order to secure a good salary, as the stigma of being a deserter would prevent them from finding legitimate employment. The Mexican military does have several

Calderón has taken a risk by deploying the army as an internal police force, given the Mexican military's past history of domestic human rights violations.

ern and has more firepower than the Mexican government's," said Maria Velez de Berliner, a risk analyst with the Latin Intelligence Corporation. This new capacity may well have emboldened cartel leaders to expand their operations and territory. The cartels know they cannot overpower the Mexican government; their goal is to create security zones where they can operate safely within the country. In turn, this could lead

advantages over the cartels, including superiority in numbers, support from the United States' intelligence apparatus, and a clear mission. In turn, the cartels lack unity beyond loose alliances and depend on a constant revenue to buy its members' allegiance.

Calderón has taken a risk by deploying the army as an internal police force, particularly given the Mexican military's past history of domestic human rights violations, lack of training for policing tasks, and heavy armament. "The military is committing excesses, and that is a reminder of the Dirty War," said Sergio Aguayo of the non-profit Mexican Human Rights Academy. As a result, Calderón's personal popularity has dropped dramatically.

One possible factor driving the Mexican president's decision to deploy the army may have been the promise of the \$1.4 billion Mérida Initiative, a security aid package for Mexico and Central America introduced in the U.S. Congress

on May 13. Yet, the Mérida Initiative, backed by President George W. Bush, is not assured, particularly in an election year. Senator John McCain, the Republican presidential candidate, supports the plan and has accused the Democratic party of "abandoning" Mexico to the cartels. Likely Democratic presidential candidate, Senator Barack Obama, said that "the Mérida Initiative does not invest enough in Central America, where much of the trafficking and gang activity begins." But with American voters more focused on the economy and job creation, it is unlikely that this will become a major campaign issue, outside of the Latino population.

If approved, the Mérida Initiative should learn from the mistakes of Plan Colombia and employ the funds strategically. The military units being deployed to fight the cartels need new equipment and soldiers will need economic incentives and improved living standards in order to discourage desertion.

Money should also be used for promoting development in states like Michoacán, in order to discourage farmers and the poor from being tempted to join the cartels.

The risk of continuous internal deployment of soldiers is an escalation of violence. To avoid further escalation, Calderón needs to develop alternative strategies. One alternative is the creation of a well-paid and highly-trained professional counter-terrorism force within the military, such as those created in Peru and Colombia during their conflicts. These special units would be deployed alongside regular police forces. Greater resources also should be allocated to social programs, such as drug-rehabilitation efforts and the development of poor areas in order to reduce the cartels' supply of recruits. 

Alejandro Sánchez Nieto is a research fellow at the Council on Hemispheric Affairs and works at the Center for International Policy.

INTERPOL releases forensic report on seized FARC computers

INTERPOL presented the results of its forensic examination of eight Revolutionary Armed Forces of Colombia (FARC) computers and hardware seized by Colombia in a raid into Ecuador on March 1, 2008. INTERPOL Secretary General Ronald Noble announced that his forensic team didn't find any evidence of modification, addition, creation or deletion in the computer files collected by Colombian authorities. The Organization of American States endorsed INTERPOL computer forensic assistance for Colombia.

INTERPOL ruled that the computers held more than 600 gigabytes of data, including 35.9 million pages in Microsoft Word and almost 1,000 encrypted files, decoded with the help of 10 linked computers. The agency reported that the first Colombian anti-terrorist unit to view and download contents from the computers did not follow the internationally-recommended practice of making a write-protected copy before handling electronic evidence. Noble said that this is common among first responders handling electronic information, who try to prevent future attacks. With the authentication of the data found in the seized computers, Colombian authorities are proceeding with their investigation, which they allege show that Ecuador and Venezuela provided support to the FARC. Both President Chavez and President Correa have denied this allegation.

EVENTS

Health, Education and Marginalized Populations in Latin American and the Caribbean

June 9, 2008

Ottawa, Ontario

This conference will share knowledge and develop ideas for new public policy options improve access by marginalized populations' to health and education services in the Latin America and the Caribbean.

Contact lfillion-wilkinson@focal.ca.

FOCAL presents on trade with Latin America at National Standards conference

June 3, 2008

St. John's, Newfoundland & Labrador.

FOCAL analyst Alexa Barrera will present on emerging markets in Latin America at the Standards Council of Canada conference.

ANNOUNCEMENTS

FOCAL to testify at the House of Commons

Ottawa, Ontario

June 4, 2008

FOCAL analysts Alexa Barrera and Vladimir Torres will testify to the Standing Committee on International Trade in support of the Canada-Colombia Free Trade Agreement. Contact pmoore@focal.ca.

Two new policy papers on Indigenous Governance and Corporate Social Responsibility are on-line at focal.ca.

Write for FOCALPoint

Articles between 700-1000 words in English, French or Spanish are welcome. All submissions are on a volunteer basis and must be exclusive to FOCALPoint. For full submission guidelines, please contact pmoore@focal.ca or visit www.focal.ca.

The views expressed in FOCALPoint are those of the authors and do not necessarily reflect the opinions of FOCAL, FOCAL board or staff.

FOCAL publications, reports, and articles are available online at www.focal.ca



FOCAL

Canadian Foundation for the Americas
Fondation canadienne pour les Amériques
Fundación Canadiense para las Américas
Fundação Canadense para as Américas

WHO IS FOCAL?

Board of Directors

Chair

John Graham, Consultant

Bob Anderson, former Vice President Americas, CIDA

Alain Berranger, Executive-in-Resident, Schulich School of Business

Secretary

Michael Bell, Consultant, Justice Solutions Inc.

Treasurer

Anthony M.P. Tattersfield, Partner, Raymond Chabot Grant Thornton

Executive Director

Carlo Dade, FOCAL (ex-officio)

Directors of the Board

Charles P. Bassett, Former Canadian Executive Director to the Inter-American Development Bank

Pablo F.G. Bréard, Vice President, Head of International Research, Scotiabank group

Rt. Hon. Joe Clark, Former Canadian Prime Minister

Graeme Clark, Ambassador & Permanent Representative of Canada to the OAS (ex-officio)

Winston Cox, Alternate Director for the Caribbean at the Inter-American Development Bank

Jean Daudelin, Assistant Professor, Norman Paterson School of International Affairs, Carleton University

Paul Durand, OAS Resident Representative to the Dominican Republic

Kenneth N. Frankel, Legal Advisor to Secretary General, Organization of American States

James M. Lambert, Director General, Foreign Affairs & International Trade, Latin America and Caribbean Bureau (ex-officio)

Jennifer L. McCoy, Associate Professor of Political Science (Georgia State) and Director of the Americas Program at The Carter Center

Elizabeth Spehar, Consultant, Washington, D.C.

Vinita Watson, Executive Director for Canada, Inter-American Development Bank (ex-officio)

FOCAL Staff

Carlo Dade, Executive Director

Olga Abizaid, Senior Analyst (on maternity leave)

Alexa Barrera, Project Manager, Trade and Development

Leslie Fillion-Wilkinson, Project Coordinator / Associate Editor

Diane Larabie, Office Manager

Barbara MacLaren, Project Manager, Labour and Migration

Peter Moore, Director of Communications / Editor

Rachel Schmidt, Director of Communications / Editor (on maternity leave)

Tandy Shephard, Project Manager, Mapping the Media

Racquel Smith, Project Manager, Civil Society and Governance

Vladimir Torres, Project Manager, Trade and Development

Cristina Warren, Program Director, Research Forum on Cuba

Interns: *Phil Gonzalez, Juan Miranda, Gonzalo Moreno,*

Zelena van der Leeden.

1, rue Nicholas Street

Suite/Bureau 720

Ottawa, Ontario

K1N 7B7 Canada

Tel/Tél: 613.562.0005

Fax/Télé: 613.562.2525

Email/Courriel: focal@focal.ca

www.focal.ca