Can Kirchner Overcome Menem’s Legacy?

Luigi Manzetti

Néstor Kirchner, a little-known Peronist governor of the province of Santa Cruz in Patagonia, was sworn in as the president of Argentina on May 25. Although he placed second to former president Carlos Menem (1989-99) in the first round of the presidential elections in April, public opinion polls gave Kirchner an overwhelming advantage over Menem in the second round. In an unprecedented move, Menem charged that interim President Eduardo Duhalde, with whom Menem has had a bitter dispute over the control of the Peronist Party, was manipulating the electoral process at his expense. Thus, Menem threw in the towel and decided not to contest the second round, which drew widespread condemnation from all quarters of society.

Kirchner therefore faces daunting problems of legitimacy as well as tough political and economic challenges. Menem’s decision to withdraw deprives Kirchner of a clear popular mandate. The 22 percent that he obtained in the first round is the smallest percentage of any Argentine president in modern times. Moreover, the very fact that he was going to prevail in the second round was primarily because swing voters wanted to penalize Menem, rather than opting for what Kirchner had to offer. It will take tangible improvements in the socio-economic situation within a year if the President is to retain such a shaky support and avoid ending up like former President Fernando de la Rúa, who capitalized on Menem’s shortcomings in 1999 only to be forced out by riots two years later when he was incapable of stopping the economic recession.

Politically, Kirchner has the reputation of being a maverick among his fellow Peronists and he is not well liked for what many perceive as a rather abrasive political style. Duhalde threw his support behind him only after another potential candidate, José Manuel de la Sota, proved to be unpopular. Nonetheless, Duhalde controls one third of the Peronist delegation in Congress. This means that Kirchner, if he wants to pass his legislative agenda through Congress, will need to establish a working relationship with Duhalde and the other smaller Peronist factions. Moreover, Kirchner’s congressional weakness means that he will need to reach out to parties outside his
In the April 27 general elections, Paraguayans voted for continuity over change, returning the Colorado Party (ANR) to power under its leader Nicanor Duarte Frutos. The Superior Electoral Tribunal (TJSE) gave Duarte Frutos 37% of the vote in a convincing victory. The other long-standing traditional party, the Liberals (PLRA) won 24%; while the two major new (or independent) parties, the Movimiento Patria Querida (MPQ) and the party of exiled strongman General Lino Oviedo, Unión de Ciudadanos Éticos (UNACE), won 21% and 14% respectively.

The Colorado Party, although winning a plurality, was unable to secure a majority in either the Senate or Chamber of Deputies. The 16 seats (out of 45) it won in the Senate and the 37 of 80 in the Deputies represented the worst electoral result for the Colorados in 14 years since the return to democracy. The most successful independent political parties, Oviedo’s UNACE and Pedro Fadul’s anti-corruption MPQ, took enough seats in both houses to ensure that they hold the balance of power in deciding whether the Colorados or the second place PLRA assumes control of the congress. This represents a significant increase in the political appeal of the independents relative to the two traditional parties over the 1993 and 1998 general elections.

The opposition parties have begun talks on forming a “front” that could vote as a block against the Colorados, advance its own legislative agenda and staff key government institutions. While the opposition continues to negotiate among itself, Duarte Frutos has moved to put key state institutions, such as the armed forces and the Supreme Court, firmly under his political control.

Where does Kirchner stand on all this? Initially, his campaign rhetoric abounded with left-wing overtones that attacked market reforms (hinting that some privatized firms like railways could be taken over by the government again) and both domestic and foreign corporations that profited from them. By the same token, Kirchner called for greater government regulation (more economic protectionism) and spending in social programs, as well as a new emphasis on re-energizing trade ties with Brazil and the other Mercosur (Southern Cone Common Market) partners. However, many expect him to tone down such rhetoric now that he has assumed office and espouse a more pragmatic course of action, much like Duhalde who started out in 2002 with strong nationalistic overtones only to end up negotiating yet another agreement with

own. Considering how deep the internal divisions are among the Peronists and minor parties these days, this is not going to be an easy task.

Economically, the President will have a series of key decisions to make that Duhalde could or would not make. The International Monetary Fund (IMF), the World Bank and other multilateral lending institutions whose help is indispensable to keep the country afloat want serious reforms to take place prior to disbursing further financial aid. This means:

1. revamping the tax system;
2. re-designing the tax revenue sharing agreements through which the federal government disburses the bulk of the provinces revenues;
3. settling legal disputes with the banking sector which suffered staggering losses since the outbreak of the crisis in December 2001;
4. increasing the rates for public utilities (which have been lagging behind inflation for over a year);
5. re-negotiating the external debt, since the current agreement with the IMF expires this August; and
6. improving the financial condition of the banks still under state ownership and granting more independence to the Central Bank.
the IMF. Indeed, as the elections drew to a close, Kirchner gave signals that he would retain Duhalde’s Finance Minister, Roberto Lavagna, who competently steered the country out of recession during his brief tenure.

So far Kirchner has given clear indications that job creation will be his first priority. According to official statistics the incidence of poverty has risen to 57 percent of the population, of whom almost half are indigent, unemployment is at 18 percent and roughly three million people receive government subsidies to survive. The President hopes that a massive public infrastructure spending program may help to create jobs, as he did in his own province in the 1990s, but much will depend on whether private companies feel secure enough to embark on long-term investments.

However, what the country needs most is for Kirchner to create some confidence in government institutions, the credibility of which was systematically undermined by all kinds of abuses during the Menem years. After all, it is well established that economies do not thrive if the rules of the game are subject to political manipulation. Without checks and balances, respect for the rule of law, and accountability, long-term investments are unlikely to be made. Without investment, and particularly from abroad, Argentina is unlikely to generate badly needed jobs and finance a staggering foreign debt.

Can Kirchner deliver? He thinks so and points to his track record as a governor of Santa Cruz where the unemployment rate is the lowest in the country (4 percent) and social services help to keep poverty at a minimum. However, Santa Cruz accounts only for one percent of Argentina’s economy and 0.5 percent of its population. Moreover, its prosperity comes almost exclusively from oil and gas revenues, which make the provincial government relatively wealthy. Indeed, as governor, Kirchner used such resources to put 40 percent of urban dwellers on the government payroll, which contributed to his electoral fortunes. Yet, private industries beyond fisheries are almost non-existent. More troubling is the fact that despite many promises to strengthen democratic institutions, Kirchner, while governor, has manipulated them at will. Since becoming governor in 1991, he twice had the local legislature change Santa Cruz’s constitution first to allow his re-election and later to lift any restriction on term limits altogether. As Menem did at the federal level, Kirchner also packed the provincial Supreme Court to prevent any legal challenges to his own power. In addition, critics charge that his province has failed to disclose detailed financial statements since 1994. These are not good precedents. The only hope is that Kirchner will leave behind the old Peronist way of doing business, with its complete disregard for the rule of law, and act more like the honest and modern leader he wants people to see in him. Hopefully, he will surprise us all.

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Transnational Crime
Overwhelming the Caribbean

Sir Ronald Sanders

Transnational crimes include drug trafficking, international gunrunning, money laundering, cross border fraud, theft of intellectual property, terrorism, terrorism financing, and facilitation of tax evasion. Most of these crimes are at such low levels in the Caribbean that they pose no significant threat to the international community. Drug trafficking, however, has become the pillar of transnational criminal activity in the Caribbean region, resulting in an exponential increase of violent crime. The paradox is that the international community — particularly countries in which the demand for illegal narcotics has contributed significantly to the development of the Caribbean as a transhipment centre — has failed to help the region to implement policies to control and prevent crime. The consequence of this is that crime now threatens the security of the region and its economic, social and political stability.

Cooperation to Fight Terrorism and Tax Evasion

A closer examination of transnational crimes shows that Caribbean countries have instituted policies to address those crimes that are a problem in the region. The machinery for international cooperation against money laundering and to counter the financing of terrorism, including information exchange on criminal matters, is well established and working.

In the aftermath of September eleven, despite much adverse publicity, only three Caribbean countries were found to have handled terrorist accounts and the sums of money were de minimis in comparison with the vast amounts found elsewhere, including in the United States (US), the United Kingdom (UK), Switzerland, Germany and Austria. However, Caribbean countries were among the first to sign-up to the United Nations (UN) Security Council Resolution 1373 on Terrorism and Terrorism Financing, and to pass legislation to counter the financing of terrorism, and over the past four years, the Caribbean has readily adopted the Financial
Action Task Force’s (FATF) forty recommendations on money laundering and its more recent eight recommendations on terrorism financing.

With respect to tax evasion, there is little evidence to support the claim by the Organization for Cooperation in Economic Development (OECD) that tax evasion money is swimming around in Caribbean banks. Indeed, eighty per cent of the world’s offshore financial services are located in OECD countries, excluding their colonies. Tax evasion is a crime in the majority of Caribbean countries and most jurisdictions have signed Tax Information Exchange Agreements and Mutual Legal Assistance Treaties with the United States and other countries.

The OECD has falsely paraded, as related to crime, its “harmful tax competition initiative”, in which it created a blacklist of forty-one small jurisdictions, mainly in the Caribbean and the Pacific, and threatened them with sanctions if they did not comply with OECD-imposed standards. The initiative sought to address exchange of information on “civil” as distinct from “criminal” matters and equated tax “avoidance” with tax “evasion.” The targeted jurisdictions agreed to participate with the OECD in a “Global Forum” to explore the OECD requirements provided that a level playing field was established for all.

**Trafficking of Firearms and Drugs**

However, the trafficking of drugs is the key issue of transnational crime for the Caribbean. The trafficking of firearms in the Caribbean is linked to the drug trade. Narcotics traffickers use weapons for protecting shipments, intimidating customers or competitors and executing informants. Dependent drug users, who commit crimes to obtain money to fund their drug purchases, also use firearms. The increased number of murders in some countries of the region is directly linked to the trafficking of drugs and the associated trafficking of firearms.

Trafficking of firearms in the Caribbean, therefore, poses a far greater threat to the security and stability of the region than it does to the rest of the world. This increase in sophisticated crime is, in part, attributable to the deportation of criminals by the United States and Canada to the Caribbean countries of their origin. There is some evidence of a network of criminals throughout the Caribbean who were known to each other in Canada and the United States.

Drug trafficking is the most significant transnational crime in the Caribbean and individual Caribbean countries do not have the resources to match the vast capacity of the drug traffickers. The types of crimes that are now prevalent directly affect good governance through the corruption of law enforcement agencies, as well as threaten public order itself through violent crimes such as kidnapping, and the killings of police officers, witnesses and competitors. The problem is simply overwhelming for small countries with few resources and great demands.

Governments in the region have tried to cope with the problem. Scarce resources have been diverted from social and economic programmes to fight drug trafficking. Evidence of these efforts is the increase in the number of arrests of traffickers and the seizure of drugs. The majority of prisoners in the now over-crowded jails of the Caribbean are drug offenders.

However, there has been an obvious reduction in support to Caribbean drug law enforcement from the international community. The European Commission Drug Control Office, which operated from 1999 to 2001, was closed; the post of a Caribbean-based UK police adviser was removed to be replaced by an adviser based in London; the Caribbean United Nations Office on Drugs and Crime was significantly scaled down; the US Caribbean Drugs Control Coordinator was recalled and a Regional Maritime Cooperation Project ended - this project was the mechanism...
for collaboration among Caribbean States in the restriction of drug trafficking by maritime means. In prosecuting its new “homeland security” strategy, the US has pulled its resources back to its own borders, leaving the Caribbean with little capacity to meet the challenge of well-resourced drug traffickers.

This upsurge in crime linked to drug trafficking, especially violent crime such as murder, has been facilitated by an economic downturn in Caribbean countries occasioned by loss of markets for their primary products, a reduction in aid, a decline in foreign investment, a decline in tourism and an attack on their financial services sector.

Policy Options

There is an urgent need for the international community to address the overwhelming problem of violent crime in the Caribbean that has resulted from drug trafficking and illegal arms.

An international conference should be convened urgently, comprising the United Nations agencies, the Organization of American States (OAS), the European Commission, the International Monetary Fund (IMF), World Bank, the Inter-American Development Bank, the Commonwealth Secretariat, as well as interested countries such as the United States, the United Kingdom and Canada, the latter of which understands that drug trafficking is not only a problem of crime, but also of under-development. As a long-time friend of many Caribbean countries through the Commonwealth, and with no history of colonialism or aggression toward the area, Canada is in a good position to foster such an international conference.

Governments in the region are trying to institute several measures against the background of studies undertaken by a Task Force on Crime and Security established by the Caribbean Community (Caricom) in July 2001. These measures include the following: mechanisms for the effective sharing of information and intelligence; the creation of a Regional Rapid Response Unit to bolster the capacity of domestic law enforcement agencies; and strengthening the Regional Security System through memoranda of understanding between states for operational security matters. They have also instructed that a Regional Plan for a co-ordinated response to crime be completed to provide a framework for regional collaboration.

This Regional Plan could form the agenda for an international conference that considers the problem of violent crime, drug trafficking and illegal arms in the Caribbean in the context of a “development” agenda. For, if the problem continues to escalate it will draw scarce government resources away from education, health and poverty alleviation. It will also scare away investment and curtail economic growth. Quite soon, the relatively stable Caribbean could slip into social and economic deprivation and political instability, rendering it vulnerable to the adventures of external terrorist organizations now targeting the interests of the US and other industrialized nations.

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Border Dispute in the Caribbean Sea: The Nicaragua-Colombia-Honduras Case

Eduardo García Herdocia
Claudia Paguaga

First in April and for a second time in May 2003, Colombia threatened to mobilize its navy to prevent Nicaragua from exploring for oil in a historically disputed area in the Caribbean Sea. In response, Nicaragua reaffirmed its right to explore the area, which includes the archipelago of San Andres, Providencia and the surrounding islands and keys that have been under Colombian sovereignty since the Barcenas-Meneses Esguerra Treaty was signed in 1928. This escalation is the latest chapter in a longstanding maritime border dispute involving Nicaragua, Colombia and Honduras in an area that is recognized as being rich in natural resources.

Background to the Dispute

In 1928, Nicaragua and Colombia signed the Barcenas-Meneses Esguerra Treaty, which transferred ownership of the archipelago located at 82 degrees longitude in the Caribbean Sea to Colombia. The treaty established Colombia’s sovereignty over the archipelago of San Andres, Providencia and the surrounding islands and keys and Nicaragua’s sovereignty over the Mosquito Coast, the Great Corn Island and Little Corn Island. According to Nicaragua however, the treaty only set out to transfer sovereignty of the archipelago and not to delimit a maritime boundary between Colombia and Nicaragua because at that time it was impossible for a treaty to delimit a boundary in what was considered open sea. However, Colombia interpreted the 82nd meridian as its maritime border and subsequently signed treaties with Costa Rica (1977, signed but not ratified) and Honduras (1986), which recognized this meridian as the maritime boundary between Nicaragua and Colombia.
Nicaragua before The Hague

The 1986 Lopez-Ramirez Treaty between Honduras and Colombia exacerbated existing maritime border conflicts between Honduras and Nicaragua along the 15th parallel (degrees latitude), prompting the repeated capture of vessels by both nations in and around the general border area of the Coco River. Because diplomatic negotiations had failed in the past, Nicaragua resorted to the International Court of Justice at The Hague (ICJ) to determine the disputed maritime boundary between the two countries. On December 8, 1999, Nicaragua took legal action against Honduras at The Hague for ratifying the Lopez-Ramirez Treaty and imposed a 35 per cent tariff on Honduran imports.

In December 2001, Nicaragua also brought a lawsuit against Colombia in the ICJ to contest Colombia’s sovereignty over the San Andres archipelago area. This past April 2003, Nicaragua presented a detailed case to the Court outlining its claim that the 1928 treaty is invalid because it was signed under US military occupation (1927-1934) and requesting at the same time that the Court delineate a single maritime boundary between the territories of both countries. The fundamental argument, according to Nicaragua, is that Colombia is arbitrarily imposing a frontier that jeopardizes its continental shelf, its territorial sea and its exclusive economic zones, which include fishing rights and the rights to explore the area.

Oil and National Sovereignty

However, the conflict between these nations entered a new phase of hostility on July 9, 2002 when Nicaragua passed the Ley Especial de Exploración y Explotación de Hidrocarburos (Ley No. 286), a law that permitted Nicaragua to grant concessions for the exploration and exploitation of hydrocarbons in areas of the Caribbean Sea that are currently disputed.

Honduras and Colombia protested against Nicaragua for granting concessions to American companies to explore these areas of the Caribbean for oil. In response, Colombia sent its navy to patrol the disputed waters and Honduras responded by threatening to sue those companies that decided to explore the disputed area and contemplated the idea of asking the ICJ to take a provisional resolution to prevent Nicaragua from continuing to grant concessions.

What’s Next?

Now that Nicaragua has presented its detailed case to the ICJ, Colombia has two options: to either dispute the validity of the Nicaraguan case or present a counter-case of its own. If Colombia chooses the former option, it has three months to present a series of arguments about the Court’s competence (or lack thereof) to try the case. In the event that the Court rules that it is unable to try the case, the process would end in a few months. However, if the latter option is selected, Colombia will have until June 28, 2004 to present its case.
its counter-case. It is estimated that this case could last a minimum of 5 years. In the interim, Nicaragua will continue to be able to grant oil exploration and exploitation concessions although Colombia is threatening to deny access by suing those companies that begin exploring the area.

With regards to the other case pursued by Nicaragua against Honduras, it is expected that the ICJ will not rule before mid-2004. On the political front however, in March 2003 the Nicaraguan National Assembly revoked the 35 percent tariff it had imposed in 1999 on Honduran products as retaliation for Honduras’ ratification of the Lopez-Ramirez Treaty – adding to hopes that the political will exists to move beyond these historical disputes (see FOCAL POINT, March 2003).

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Venezuela

After months of negotiations, the Venezuelan government and the opposition have signed an Accord agreeing, among other things, that a referendum on the Presidency of Hugo Chávez can be held after August 19, 2003 - the midpoint of his six-year term. It is anticipated that the 19-point Accord, brokered with the assistance of Cesar Gaviria, Secretary General of the Organization of American States (OAS), will be signed Thursday May 29, 2003. The Accord represents the first sign of political consensus in the most polarized country in the region. Both government and opposition hailed the agreement as a democratic breakthrough after more than a year of acute political crises, which included a short-lived coup in April 2002 and massive general strikes that damaged Venezuela’s oil-based economy.

The Accord accepts that a plebiscite on the revocation of Chávez’s mandate can be triggered if a petition with signatures from at least 20 percent of the electorate is collected (Reuters 23/05/03). The Accord also reaffirms the need to respect the Constitution and democratic processes, prioritizes the disarming of civilians, and specifies that an international committee, made up of representatives from the OAS, the Carter Center and the United Nations, be formed to oversee the implementation of the Accord.

Despite this breakthrough, the political process in Venezuela remains polarized and tense. The government insists that before a referendum is held, the National Assembly must elect a new National Electoral Commission, which would verify the signatures collected on a petition. This may prove to be a stumbling block, as disagreement continues over who should be included in the new Commission. In a rally held shortly after the agreement was negotiated, clashes between anti-Chávez and government supporters continued, resulting in one person killed and 15 others injured (BBC 27/05/03).

Hairline Cracks in the Hard-Line Policy

Judy Meltzer

President Uribe’s hardline approach to quelling the conflict in Colombia is coming under increasing criticism in the wake of escalating violence and a recent series of setbacks. One of the cornerstones of Uribe’s security policy has been his commitment to reduce violence by using tougher security measures to crackdown on guerrilla and paramilitary groups. He has implemented this plan using often controversial tactics, including instituting a state of emergency whereby security forces wield extraordinary powers; arming civilian in areas of the country with little state presence; and paying informers to reveal information on the whereabouts and activities of armed insurgents. He has also designated areas that exhibit higher levels of conflict-related violence as “zones of rehabilitation”, in which the military presence has been increased and security forces given greater authority, including the right to search and detain suspects. Although many of these measures have come under a great deal of criticism from domestic and international human rights organizations for the threats they pose to civilians and civil rights, President Uribe has, for the most part, enjoyed widespread domestic public and political support for his security policy.

However, all has not gone according to plan. The state of emergency was cut short in late April by Colombia’s Constitutional Court, after President Uribe passed a 90-day extension of the state of emergency through Congress nearly two months before its renewal date. The President is legally allowed to declare two consecutive 90-day states of emergency and then seek an extension from Congress. However, the Court found the extension to be illegal and struck down the state of emergency on the grounds that such a premature renewal undermined legislative oversight and contradicted the concept of an emergency (Miami Herald 01/05/03). Although the ruling did not alter much in practice, as the state of emergency’s expiry was imminent, it was a warning to the government that the institutional
rules of the game must be respected, regardless of popular support for the security policy.

The government’s security policies also came under fire in May after a bungled attempt to rescue hostages held by the Revolutionary Armed Forces of Colombia (FARC), which resulted in the murder of ten of the hostages, including the Governor of the state of Antioquia, Guillermo Gaviria, and former defense minister Gilberto Echeverria. The deaths fed widespread public outrage towards the insurgent group, but also sparked a rift between politicians favouring concessions for the release of prisoners and those supporting the hardline stance. Critics felt that if a more conciliatory stance towards negotiation had been taken, these deaths may have been prevented.

Adding to this predicament was a recent scandal earlier this month involving the Governor of the state of Antioquia, Guillermo Gaviria, and former defense minister Gilberto Echeverria. The deaths fed widespread public outrage towards the insurgent group, but also sparked a rift between politicians favouring concessions for the release of prisoners and those supporting the hardline stance. Critics felt that if a more conciliatory stance towards negotiation had been taken, these deaths may have been prevented.

Most recently, and perhaps most damaging, were reports by the administration that violence has escalated in some of the areas designated by Uribe as “zones of rehabilitation”. These reports were particularly significant as they generated strong internal criticism from top government officials. Inspector General Edgardo Maya and the government’s Human Rights Ombudsman, Eduardo Cifuentes, announced that the government’s strategy had failed after revealing that violence had actually increased in several of the “security” zones in the State of Arauca, one of the areas suffering some of the highest level of violence (AP 5/19/2003).

Further adding to the government’s problems is the perpetual challenge of financing the security agenda. Not surprisingly, President Uribe has looked to the United States not only for increased military support (Colombia is the third largest recipient of US military aid in the world), but also to deepen trade relations to strengthen the economy. Uribe’s and Bush’s mutual admiration for each others harsh stand against terrorism was cemented by a recent visit to Washington and Colombia’s support for the war against Iraq (the only country to do so in South America). However, a bilateral free trade agreement does not appear to be on the horizon.

In spite of these stumbling blocks, President Uribe has maintained high levels of popular and political support throughout the first year of his mandate. Colombians’ frustration with the conflict; the insecurity felt by previously sheltered urban populations; and the failure of previous negotiations to resolve the conflict, have lead to an extended “policy patience,” a rare phenomena in the region, particularly in the absence of economic recovery. Analysts also attribute this sustained support to overall higher levels of confidence in public safety. Latest polls are testament to this. The Invamer Gallup survey in April showed approval ratings for the President at 68 percent, although 46 percent of those surveyed felt that life overall had worsened under his administration and almost 60 percent believed that unemployment was not being adequately addressed (Miami Herald 25/05/03). Despite recent tensions that have surfaced over bungled security incidents, it is clear that President Uribe still wields a great deal of political capital. However, without significant improvements in employment and significant gains towards ending the conflict, these types of setbacks will begin to take their toll.

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US vs. Cuba: From Bad to Worse

Ana J. Faya

The confrontation between the Bush and Castro administrations has heated up dramatically in recent months. The US administration has maintained a steady stream of harassment against Cuba, and Havana has responded with a proliferation of official statements, speeches and television broadcasts. The current confrontation is similar to that which occurred between the two nations during the Cold War, and has led many Cubans to believe that it is the prelude to an American attack against the island.

A series of moves made by the Bush Administration have exacerbated these fears: the armed conflict in Afghanistan and Iraq; direct support to dissidents (quite different from the people-to-people approach favoured by the Clinton Administration); the assertion that Cuba sponsors terrorism; the stepping up of anti-Castro propaganda with radio and TV broadcasts transmitted to Cuba from aircraft; restrictions imposed on Cuban diplomatic missions in Washington, D.C. and New York; and the expulsion of 14 US-based Cuban personnel on charges of espionage.

These actions have prompted Castro to argue that the United States is planning an attack against Cuba, and he has used them to justify the drastic measures adopted against opposition groups in the country. Castro’s use of war rhetoric as a political technique can be explained...
by his weakening control over civil society and his fears about domestic stability. By imprisoning 75 dissidents convicted of conspiring with the US Interest Section in Havana, Fidel Castro gave a body blow to the opposition movement that had been gradually gaining ground in Cuba since the Varela Project was presented in May 2002. The harsh sentences of death and life imprisonment handed down to the hijackers of a ferry and potential hijackers of a plane leaving for the United States, have demonstrated to the Cuban population the seriousness of the conflict. According to Castro, the island is confronted with a US administration that is prepared to encourage a massive exodus and to order a military blockade against Havana.

The careful propaganda disseminated by the state-controlled Cuban mass media, has helped give shape to a state-of-siege mentality, used by the regime to generate increased internal cohesion. Nationalist feelings are manipulated with hyperbole and felicitous catchphrases used by broadcasters and leaders. During his May-Day speech, Fidel Castro used expressions such as, “Bush’s Hitler-like government”, “…sinister plans against our country on the part of the neo-fascist extreme right,” and “in Miami and Washington they are now discussing where, how and when Cuba will be attacked,” that played upon nationalist feelings (www.trabajadores.cubaweb.cu, 02/05/03). As a result of the tension surrounding a possible “invasion”, the Cuban population has given its support indirectly to the government. Outside of Cuba, thousands of people protested against the alleged invasion plans and consequently the repression of dissidents became less significant, or appeared to be justified.

However, US officials and analysts have denied that Cuba is a military target. US Secretary of Defence, Donald Rumsfeld, replied to a journalist’s question about a possible invasion by saying, “...we [the US] recognize [that] we cannot try to make everyone in the world be like we are” (The Miami Herald, 13/4/03) Although, Havana highlighted that during the same interview, Rumsfeld added, “no, not for the moment.” The president of the Cuban Parliament, Ricardo Alarcón, also accused President Bush’s brother and Governor of Florida, Jeb Bush, of supporting military action against Cuba, an accusation that was denied by Bush’s press secretary. In addition to the embargo and the existing travel restrictions, Washington has announced that it will revise its policies towards the island, which many interpret as likely to include more severe sanctions.

Even though Havana is not Baghdad, nor Latin America the Middle East, the proximity of President Bush’s re-election campaign is likely to ensure a continuation of the Administration’s aggressiveness towards the island. The state of Florida will be a key swing-vote state in the 2004 presidential elections as it was in 2000. The Castro issue is very important for the Cuban-American community in Florida and they constitute 7 percent of the electorate, which could be crucial to winning a second term for President Bush and for the political interests of his brother, Governor Jeb Bush.

Nevertheless, Cuban-Americans are not in favour of a military attack, although they have requested that the administration put more pressure on Castro. The conservative Cuban Liberty Council, for instance, is pressing for the suspension of direct flights and a ban on dollar remittances to Cuba. The Cuban-American National Foundation, the most significant Cuban lobbying group in the United States, however, is against measures that would end contact between the exile community and the island. Moreover, Bush’s pursuit of a harder-line policy has been complicated by changes in the demographics of the Miami Cubans. Young Cuban-Americans and the new waves of Cuban migrants that have arrived in Florida since the mid-1990s do not see sanctions against the island as a way of liberating the Cuban population. In Cuba, opposition leaders like Payá Sardiñas, Elizardo Sánchez and Vladimiro Roca are against the travel ban and have criticized the high-profile support given to the dissident movement by the US Interest Section in Havana.

As tensions escalate, even after the last repressive wave in Cuba, US firms continue to trade with the island and are preparing themselves for a transition. Meanwhile, the US Administration is attempting to revive its Cold War policies towards the communist regime, following an obsolete pattern that will not help to displace Fidel Castro. Instead, it may justify the next crackdown on dissidents, Castro’s image of a champion of resistance and self-determination will be reinforced, and many Cubans will, consequently, close ranks against foreign interference.

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FOCAL’s Research Forum on Cuba fosters informed discussion on the immediate and long-term challenges facing Cuba and Canadian policy towards the island.

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By Cristina Warren
Editorial

South America Looking Towards a “Continental Axis”

On Sunday May 25, the new president of Argentina, Néstor Kirchner was sworn into office in a ceremony that was attended by 13 heads of state from throughout Latin America. The event was the latest in a series of inaugurations that have brought together the new leadership and the so-called “new left” of Latin America in the pursuit of a common agenda now described as a “continental axis.”

In attendance were, among others, Luiz Inacio “Lula” da Silva (Brazil), Gonzalo Sánchez de Lozado (Bolivia), Ricardo Lagos (Chile), Alvaro Uribe (Colombia), Lucio Gutiérrez (Ecuador), Alejandro Toledo (Peru), Hugo Chávez (Venezuela), Jorge Batlle (Uruguay) and even Fidel Castro (Cuba). The NAFTA Club, Canada, Mexico and the United States, sent significantly lower-level representation: the President of the Senate, the Foreign Minister, and the Secretary of Housing respectively. Kirchner spent his first day in office meeting with heads of state from Latin America and governmental representatives from France, Italy, Spain, the United Kingdom and the United States (La Nación, 27/05/03).

But Kirchner’s inauguration was more than pomp and circumstance. On the one hand, it was a celebration welcoming a down-and-out family member back into the fold. On the other, it showed a South America that is coming together more frequently at these informal summits and thinking about advancing a common political-economic agenda. With the Bush administration’s attention turned elsewhere, Mexico looking mostly to the north and Canada fixated on the Organization of American States and FTAA-Summit of the Americas process, South America and its leaders have begun to make big plans together.

There is no doubt that the centre of this renaissance is Brazil and indeed Lula himself. But the economic ties of Mercosur mean that Brasilia’s leadership in the hemisphere is increasingly being conceived of in terms of its relationship with Buenos Aires. In a recent meeting with Lula in which the Brazilian president supported Kirchner before he had won the election, the two leaders talked about a “political alliance” in which shared values of social-democracy and cooperation could be the basis for launching common social programs, strengthening Mercosur, working towards a common currency, and coordinating foreign policy. For the first time, the bumpy and far-from-finished road to sub-regional trade liberalization was suddenly being conceived of as the starting point for some kind of political integration. At

Chile

On May 27, Chile received news from the US government that it will sign its Free Trade Agreement (FTA) with Chile in Miami on June 6 (El Mercurio, 28/05/03). The announcement came on the heels of a controversial decision by President Ricardo Lagos on May 7, to remove the Chilean Ambassador to the UN, Juan Gabriel Valdés, from his post. The removal of Valdés was widely seen as an attempt to curry favour with the US (Washington Post, 14/05/03).

Chile and United States had reached an agreement on the text of the FTA in December 2002. However, the Bush Administration delayed signing and ratifying the agreement after Chile refused to support US calls for a second United Nations Security Council resolution authorizing the use of force against Iraq for its alleged possession of weapons of mass destruction. The US Administration also cited provisions in the Trade Act of 2002 in which the government is required to notify Congress at least 90 days before signing the agreement. Nevertheless, public statements by a number of US officials in April lent credence to the widely-held belief that the Administration was holding up the FTA so as to punish Chile for its independent foreign policy stance at the UN (see FOCAL POINT, April 2003). At the time of the UN vote, Ambassador Valdés, was widely recognized as having taken a mature position on the world stage that privileged the defence of multilateralism and Chile’s international responsibilities as a non-permanent member of the Security Council, over economic pragmatism and the intense pressure coming from the Bush administration. However, he was also accused of staking out a firmer position than that supported by his president (El Mercurio, 08/05/03).

Valdés’ replacement, Heraldo Muñoz, has personal links to National Security Advisor Condoleezza Rice and has publicly stated that Chile is a “natural ally” of the United States in “democracy and free trade” (El Mercurio, 15/05/03). Santiago has consistently denied any link between the removal of Valdés and the signing of the FTA (El Mercurio, 10/05/03).
Kirchner’s inauguration the “political alliance” with Brazil was reborn as a “continental axis” in which all the nations of South America could participate.

The content of this continental axis is as of yet, very loosely defined, and it would be better described as an idea rather than a concrete policy agenda. However, at the core of this idea of a “continental axis” are concepts that seem to be exerting an increasing appeal over Latin America: a pan-Americanism to counter the Bush Doctrine, social democracy to counter the Washington Consensus, self-reliance to counter dependency, and assertiveness to counter disengagement.

As with many of the great ideas that have inspired leaders of the hemisphere, this one too, may come apart on the rocky shores of nationalism, political posturing, low-levels of economic integration, regional jealousies, poverty and social inequalities and the possibility of cutting better deals with the United States. That being said, a new spirit of cooperation in South America was unveiled at Kirchner’s inauguration that suggests that the region’s “new left” may be bringing with a new kind of regional politics.

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