The Guatemalan Elections and the Challenges of Peace and Human Development

Marco Fonseca

The good news about the Guatemalan elections held on November 9, 2003 is that former dictator and past president of Congress Efraín Ríos Montt is out. The Guatemalan Republican Front (FRG), the party created by Ríos Montt in 1988 and the current ruling party lost the presidential elections by taking only 19.31% or 518,328 votes out of 2,937,169 votes cast from a total of 5,073,282 people registered. The only two departments (provinces or states) that voted overwhelmingly in favour of him were, paradoxically, Huehuetenango and Quiché where Ríos Montt’s counter-insurgency campaigns of the early 1980s were particularly brutal.

In contrast, Oscar Berger of the Grand National Alliance (GANA) coalition obtained 34.33% (921,233 votes) while Alvaro Colom of the National Union of Hope (UNE) received 26.36% (707,578 votes). However, since neither of the two leading contenders managed to get 50% plus one of the votes, there will be a second round of the presidential election on December 28. The winner will take office on January 14, 2004.

The results in the congressional elections, however, were different. Here, the FRG won 43 seats out of a total of 158 and thus constitutes the second force in Congress. The other leading parties stand as follows: GANA 47, UNE 32. The parties that hold the balance of power are the smaller ones: the National Action Party (PAN) with 17 seats, the New Nation Alliance (ANN) with 6, the Unionist Party (PU) with 6, the Democratic Union (UD) with 3, the former guerrillas of the Guatemalan National Revolutionary Unity (URNG) with 2, the Authentic Integral Development (DIA) with 1 seat and the Guatemalan Christian Democrats (DCG) with also 1. The fact that no single party enjoys a majority status or constitutes what Guatemalans call an aplanadora (a steamroller in literal terms) may lead to either unprecedented deadlock or welcome negotiations among parties.

In terms of the municipal race, based on preliminary data, the results were more surprising. The FRG managed to win 110 mayoral races, including paradoxically the municipality of Rabinal, the town in the department of Baja Verapaz that expelled Ríos Montt during a campaign visit on June 13, 2003, the same day that the town was preparing to bury the exhumed remains of the victims of a massacre committed during Ríos Montt’s regime between 1982 and 1983.

The FRG’s mayoral victories substantially exceed GANA’s 69, UNE’s 33, PAN’s 31, the 24 won by various civic committees, and 7 won by the URNG and the DCG.
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respectively, the UD’s 5, DIA’s 3 and ANN’s 1. At the time of writing, 24 mayoral races remained undetermined. According to at least one observer of the elections, “the FRG earned much of this base support through violent intimidation and fraud conducted during the electoral campaign” including vote buying, bullying, promises of money for Christmas dinner (tamales) and so on (Guatemala Digest, 9-14/11/03). However, the FRG also earned a great deal of support through years and years of work with traditional authorities and through clientelistic networks at the level of local communities. It is this latter aspect of local support for the FRG that is most disturbing and does not bode well for the future of democratic politics in the country.

In symbolic as well as electoral terms, the fate of the FRG’s presidential ambitions was shared by the former guerrillas-turned political party, the Guatemalan National Revolutionary Unity (URNG). The URNG’s 2.56% of the vote was barely enough to keep the party alive in Congress with 2 deputies. Even though the URNG’s political platform is explicitly based on the 1996 Peace Agreements, the electorate - including organized civil society - turned away from this presidential and congressional option. This suggests both a repudiation of political figures linked to the armed conflict and the authoritarian past, and a tepid endorsement of those who seemed more moderate and flexible, and who had a certain commitment to the agenda of peace and human development.

Local and international observers largely agree that, despite some glitches in the electoral registry and confusion on voting day, the November 9 elections unfolded very much without problems. Contrary to most public opinion in Guatemala, however, it must be emphasized that the level of absenteeism, hovering around 40%, was alarmingly high even when compared with the level of absenteeism in previous elections.

However, the elections were punctuated by many acts of violence during and after the vote, many of which were the result of FRG sympathizers unhappy about their leader’s defeat or the loss of particular mayoral races. What is particularly unsettling, is that many of these violent acts
resembled the practice of “popular lynchings” in that they involved the kidnapping of public authorities, the destruction of public buildings, the burning of ballot boxes, the wielding of machetes and the throwing of stones, sticks, and whatever else people could find and use as a weapon. Much of the violence took place in many of the same regions (Huehuetenango, Quiché, Alta Verapaz) where lynchings have also taken place in the past. These acts of so-called “vigilante justice” – which have left 240 dead and 723 wounded since 1996 – are linked, not just to the legacy of 36 years of war as is often argued, but also to the breakdown of traditional forms of community and the normative weakness of democratic politics that have yet to become part of everyday life. The violence unleashed by FRG supporters and sympathizers was not only part of electoral dynamics, but also of communal conflicts and shared the same weaknesses as popular lynchings.

The single most important winner of the first round of elections is, perhaps, the fledgling constitutional regime in the country. The failure of Ríos Montt’s presidential bid can be fairly interpreted, thus, as a fundamentally corrective measure. The electorate in general, and organized civil society in particular, corrected the July 14, 2003 decision of the Guatemalan Constitutional Court (with 4 out of 7 members being government appointees) that permitted Ríos Montt to run for office, despite earlier decisions taken by the same court, which barred him from running based on Article 186 of the Constitution and Ríos Montt’s trajectory as a golpista leader. The July 14 decision had thus effectively put the entire presidential race on an illegitimate footing.

Finally, the as of yet inconclusive electoral process has created an important opportunity for organized civil society to call on Oscar Berger (GANA) and Alvaro Colom (UNE) to explicitly commit themselves to implementing the still unfulfilled peace agenda, as part of the Shared National Agenda that they signed on October 13, 2003, and advance policies to address the challenges of human development. The international community can play an important role by supporting civil society and by sending a clear message to the candidates that the peace agenda will not be forgotten and that they will be held accountable for all they do or not do in terms of fulfilling that agenda.

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Costa Rica: Uncertainty and Change in an Old Democracy

Luis G. Solís

Uncertainty is the dominant characteristic of Costa Rican contemporary politics. This is an uncommon condition in a country that only a few years ago was considered to be a paradigm of stability with a solid two-party system and high levels of social development. While Costa Rica continues to enjoy a solid reputation as one of this hemisphere’s most prosperous nations, this 4 million people, 50,000-square kilometre country, has finally met the consequences of two decades of structural adjustment policies. This has occurred as the political system experiences a fast transition from bipartisanship towards a more diversified electoral scenario, and in the midst of a significant social transformation dominated by an unprecedented trend towards individualism and free-market consumerism.

One of the factors that contributes the most to the uncertainty of Costa Rican politics is the rupture of the bi-partisan political order, which had prevailed in the country since the beginning of the 1980’s. Indeed, the reign of the two dominant political parties, Liberación Nacional (PLN, Social Democrat, centre left) and Unidad Social Cristiana (PUSC, Social Christian, centre right), whose alternation in power was one of Costa Rica’s most salient political phenomena, has proven incapable of withstanding the pressures of a more demanding citizenry. Thus, by the mid-1990’s almost one third of the electorate was already showing a remarkable preference for a “third option.” The public was particularly vocal about its dislike for the “nefarious practices” of “traditional parties” and their tendency to cover each other’s back.

This situation has been accompanied with unusual levels of voter abstention (more than 30% in the last two presidential elections), and high levels of lack of trust in politicians, political parties, and the political system in general. This has resulted in a notable fragmentation in the composition of the Legislative Assembly (a 57-member Congress). Ultimately, all of this has
created significant difficulties in the negotiation of important agreements such as the Central American Free Trade Agreement with the United States (CAFTA), the new fiscal relief plan or the pending legislation to liberalize telecommunications.

A second factor that generates uncertainty is associated with the rise in crime and corruption. During the last nine years, several “golden collar” (high level corruption) scandals, involving three administrations and an important number of middle-ranking government employees, have been reported with almost no punishment for those involved. The latest incident, the ramifications of which are still not fully disclosed, involves the use of illegal contributions to finance the 2002 electoral campaign of several parties, including the governing PUSC. Moreover, violent crime in urban and marginal areas has increased significantly. Though it does not reach the levels experienced by other Central American nations, violent crime (common and organized) is currently perceived by Costa Ricans as their predominant concern.

Nicaragua

On December 1, the United States suspended an aid package worth $US 49 million in protest of the release from prison of former president Arnoldo Alemán, who is accused, alongside some members of his family and former staff, of embezzling more than $US 100 million of state funds and laundering money during his administration (1997-2002).

Alemán was arrested last December and was held under house arrest until judge Juana Mendez ordered his transfer to prison in August 2003. However, on November 26, 2003, the same judge ruled that Alemán was suffering from chronic illnesses, which put his life at risk in jail, and thus sent him to his ranch in the town of El Crucero (26 kilometres south of the capital) while awaiting trial. However, under the new order Alemán will be able to move freely in the town, something that was not well received by Nicaraguans and members of the international community (BBC 29/11/03).

President Bolaños expressed his disappointment with the decision and accused the Judicial Power of being manipulated by the opposition Frente Sandinista de Liberación Nacional (FSLN), which is looking to modify the 2004 budget in Congress, but needs the support of the Alemán’s faction of the ruling Partido Liberal Constitucionalista (PLC) in order to do so. Modifying the budget is something that President Bolaños is resisting because it would delay and jeopardize Nicaragua’s entry into the Highly Indebted Poor Countries (HIPC) initiative – a debt reduction plan for heavily indebted poor countries pursuing structural adjustment and reform programs. If Nicaragua is accepted into the HIPC initiative, it could renegotiate its foreign debt and, according to some studies done by the Nicaraguan Central Bank, reduce its debt burden from $US 6,500 million to $US 2,500 million (Miami Herald, 02/12/03).

The latest figures produced by the prestigious Estado de la Región report have revealed a generalized deterioration of the quality of life throughout the country. The data indicates, among the most alarming facts, that there has been a noticeable shortage of good quality employment, and a steady rise in the informal market; a significant increase in high school dropouts (nearly 25% of the population 12 years and older are illiterate or have only completed primary school, and 50% of teenagers do not attend school); a reduction of social investment; and dysfunctions of the government in part related to the centralization of the decision-making process. Other equally critical indicators include the rising number of teenage pregnancies (almost 50% of the total births); the accelerated degradation of the ecosystem from overcrowding and the lack of urban planning (particularly in the supervision of drinking water sources and sewage and waste disposal); an unabated housing deficit and the lack of service infrastructure, namely highways and roads.

To add to this paradox, on November 6, 2003, the government released its latest poverty figures, which show a reduction by 2.6% in poverty levels for the first time in the past five years. While the reduction of poverty in Costa Rica is concurrent with the tendency that prevails throughout Central America, it has also been accompanied by increasing inequality in the distribution of income. Indeed, today Costa Rica may be “less poor”, but ironically, the gap between the poor and “middle class” sectors with the top one fifth of the economically active population has widened.

Without a doubt, the most important issue on the current Costa Rican political agenda is the negotiation of the Central American Free Trade Agreement with the United States. Costa Rica is one of the countries that, at least in theory, could benefit the most from this agreement due to its relative high levels of human development. This assumption, however, has not attenuated the debate between those who favour trade liberalization, namely the business sector, the government and the leaders of the two leading political parties, and those who oppose free trade, which include unions, small agricultural producers, some sectors of the Roman Catholic Church and other religious movements, women’s
organizations, environmental groups as well as high school and public university students.

In Costa Rica the main debate about the CAFTA evolves around three sensitive issues: 1) access to markets, where the situation of small farmers is critical; 2) intellectual property rights, which have special leverage in this country due to the existence of a National Security System, which buys 80% of medical supplies (the equivalent of $US 70 million per year) from the national market; and 3) services, particularly telecommunications and insurance, which have been until today quasi-government monopolies.

Though it is premature to know what the outcome of the negotiations would be, it is safe to say that they will probably culminate with the signing of the agreement in the first quarter of 2004. What seems to be unavoidable, however, is a complicated debate in the Legislative Assembly during the second quarter of that year. It is foreseeable that the CAFTA, if ratified, would have an important impact on the country for decades to come. In this regard, there is a well-grounded concern that the government (and the political community in general) may not be taking the necessary measures to avoid—or at least diminish—the negative impact that the agreement may ultimately have in the most vulnerable sectors of the economy. Currently there is no national accord (a so-called “national pact”) that defines a new path of development that would not only replace the now defunct Welfare State, but would also allow the country to recover the quality and effectiveness of its once robust democratic regime in the context of globalization.

With regards to international relations, the administration of President Abel Pacheco, as the other Central American governments, has subordinated itself to the hegemonic re-positioning of the United States in the Caribbean Basin. In this respect, Costa Rica joined the U.S.-led Coalition of the Willing during the invasion of Iraq, and supported the installation within its territory of the still controversial International Law Enforcement Academy – ILEA South – which despite strong U.S. protestations and denials, many regard as a military-oriented institution with prerogatives that go far beyond what is deemed acceptable in a country that has no standing army. Costa Rica is also a firm US ally in the fight against drug-trafficking and has since 1995 authorized joint patrolling sea and air operations by the US coast guard and U.S. navy vessels.

The electoral cycle in Costa Rica still seems far away (the next presidential elections will take place in February 2006), and it will not enter into full effect until mid-2005. However an element that has had an important impact on local politics has been the announcement that former President Oscar Arias is considering a second term in office after a controversial ruling of the Constitutional Court reinstated presidential re-election, which had been abolished by the Legislative Assembly after 1969. The eventual candidacy of Arias, who according to the polls has remained for more than a decade the most popular politician in the country, could be confirmed at the end of 2004. The announcement, however, has already caused a vigorous debate between supporters and detractors of re-election within Costa Rican political parties, and has produced considerable unrest (and at least the appearance of one public opponent, Antonio Alvarez) within Arias’ own party, the PLN.

In conclusion, those analysing the Costa Rican reality agree that although the country is not threatened by an imminent institutional setback, Costa Rica no longer possesses the mechanisms that once allowed it to enjoy political stability and to promote economic opportunities for the majority. This perception is troubling in many ways. First of all, despite the fact that a major crisis is not foreseeable in the near future, this does not necessarily mean that such crisis cannot occur at all. Secondly, in the Costa Rican case, the major threat does not lie in an eventual “collapse” of the institutional regime, (as was the case in Argentina, the Andean countries or Venezuela), but rather in a silent progressive deterioration of the quality of democracy. Lastly there is a generally accepted trend towards the notion that the principles that sustained democracy in the past – such as solidarity, economic fairness and which were embodied in a strong public sector- are now obsolete, irrelevant, and are of little practical significance before the new forces of the market. This trend threatens to undermine recognition of the values and strengths of the deep forces that continue to determine Costa Rica’s political culture, namely, the disposition towards dialogue and negotiated agreements, and a profound belief in social equity as the basis for political stability.

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After Cancún Failed: What Next for Argentina, MERCOSUR and the FTAA?

Mariana Vázquez

Argentina and the members of the Mercado Común del Sur (MERCOSUR) are now facing a particularly complex agenda of international economic negotiations on the Free Trade Area of the Americas (FTAA). The purpose of these negotiations is to draft agreements that, in the event of being signed, would establish the contours and content of economic relations in the Americas for decades to come. Therefore, domestic and regional strategies regarding these negotiations will have extremely important consequences. If the right strategy is chosen, the result will be an agreement that is beneficial to all participating countries and which will guarantee their governments the level of autonomy needed to make policies for sustainable development.

In a brief review of the current multilevel scenario for the present phase of FTAA negotiations, three elements should be considered:

1) Lessons learned from Cancún’s failed multilateral negotiations

From the breakdown in negotiations at the Cancun summit, two especially significant conclusions can be drawn. First, no multilateral agreement can be attained without taking into account the very unequal starting points of the participating countries. Countries possess different levels of development as well as different interests. Secondly, alliances of developing countries, such as the G-20, are emerging with enough influence to constrain whatever agreements they deem unfavorable to their interests.

2) Key changes in the Southern Cone’s political scene

The new administrations in Argentina and Brazil in 2003 have brought about substantial modifications in the regional political arena. The Buenos Aires Consensus, signed by both nations on October 16, is proof that the region now questions the Washington Consensus as simplistic and pernicious.

MERCOSUR is made up of two overlapping, yet very different projects. First, there is the construction of an economic block as part of a strategy for both national and regional development. This definition views MERCOSUR through the restricted, though crucial, scope of economics and trade. Yet it also entails much more. MERCOSUR is mainly a political process of integrating the societies of countries, which happen to be neighbors, but more importantly, which share deep historical and cultural ties. Because strengthening the integration process is a top priority of Argentina and Brazil’s strategic policy, both the trade and the political aspects of MERCOSUR have been reflected in statements made by Presidents Néstor Kirchner and Luiz Inácio “Lula” da Silva since their inaugurations. This more comprehensive vision of MERCOSUR has been the basis for agreements signed in recent months, which have bolstered the soundness of the trade block in many ways.

3) The FTAA building process

History matters. The current state of negotiations for establishing a Free Trade Area of the Americas (FTAA) is the result of a historical process. The ideology behind the original proposal, which originated in the United States, is that of the Washington Consensus itself. Progress towards an agreement has made significant advances, but has also encountered a great many obstacles. Today, the draft of the FTAA contains over 7,000 unresolved issues and no consensus has been reached regarding the methods and modalities for negotiation in several areas.

These obstacles were made apparent at the recent trade negotiating committee meeting, which took place in Trinidad and Tobago from September 30 to October 3, 2003. The United States refused to negotiate issues (namely agriculture) that were considered essential by many other nations. Given this situation, MERCOSUR has crafted a counter-proposal that, takes into account the different possibilities and interests of participating countries. This proposal would render the entire process more flexible. Among other issues, it allows countries to negotiate various commitments regarding market access for agricultural and industrial goods, services and investments, while leaving open the possibility that agreements among developing countries may not be necessarily extended to developed nations.

If no changes had been made in the original agreement regarding the FTAA format, achieving an agreement in Miami at the end of November would have not been feasible. MERCOSUR proposed a change towards a more flexible agreement and demanded that the more developed actors commit to complying with the original pact (including agricultural issues). With no such commitment today, MERCOSUR advocated a realistic FTAA, one that would adapt to the capacity of all parties. In light of Cancún, MERCOSUR’s proposal seemed more appropriate and fundamentally better adapted to its common project of devising policies to solve the urgent problems of poverty and social inequality faced by member nations. The USA and the other countries taking part in the negotiations process finally had to recognize that this view was more realistic.

The agreement achieved in Miami constitutes a political compromise that will permit the negotiating process to continue. The final declaration established that the format of the
FTAA to be agreed upon in Puebla in February 2004 be balanced (the concept of a “comprehensive” agreement used in earlier declarations has already been abandoned), flexible, and will consider asymmetries in level of development by permitting countries to assume different levels of commitment within the agreement. This allows countries, beginning with a common group of rights and obligations, to take on additional commitments, which will be negotiated on a plurilateral basis between particular countries or sets of countries. Within this framework, the countries of MERCOSUR are participating in the negotiations with the goal of achieving an effective opening of the markets of the region, but without renouncing their right and ability to put into effect policies intended to promote sustainable development.

In the end, Miami did not fail and the FTAA is again an ongoing process. It will become a reality in the Americas if it is capable of gaining legitimacy for all participating countries. This result depends, without any doubt, on the ability of negotiators to generate an agreement that is perceived as creating a common regional space for economic development and social justice. This result is not yet clear and will be defined in the upcoming process of negotiations.

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Referendum Fallout Weaken Uribe

Judy Meltzer

The past two months have been unsettling for Colombian President Alvaro Uribe, who has enjoyed unprecedented levels of support since his inauguration in August 2002. His political agenda began to unravel when he failed to gain the 25 percent support of the Colombian electorate that was required to pass a referendum on economic and constitutional reforms, held on October 25, 2003, despite the President’s extensive campaigning in the lead up to the vote. The referendum entailed fifteen reforms, ranging from reducing the size of Congress and instituting a 2 percent threshold for parties to gain seats, to austerity measures including a two-year freeze for public sector pensions and wages. It was intended to provide Uribe with a solid mandate to implement reforms and provide the resources needed to move ahead with his security policy. Its failure not only put Uribe in the position of having to take the “long road” of passing the reforms through Congress, many of which are unpalatable to its members, but the lack of public support for reform undermines his hardline agenda.

Uribe faced an additional setback on October 26 when regional elections brought a number of left-leaning opponents from the new Independent Democratic Pole (PDI) party to power in key cities including Bogotá, Medellín and Cali, signaling further dissatisfaction with national government policy. For example, the new PDI Mayor of Bogotá, Lucho Garzón, is considered to occupy the second most important political office in Colombia (Latin American Regional Report, 11/03).

Several key cabinet officials resigned in the wake of these indications of public discontent. On November 6, 2003, shortly after the regional elections and failed referendum, controversial Minister of Justice and the Interior, Fernando Londoño, was forced to resign following his comment that the President might call an early election if the proposed reforms were not passed by Congress (El Tiempo, 06/11/03). These comments were particularly inflammatory given that the Colombian constitution prohibits presidential re-election. Uribe tried to mitigate the damage and improve relations with Congress by reaffirming his commitment to remain in office until the end of his term in 2006, and appointing the more moderate businessman Sabas Pretelt as Londoño’s replacement.

Three days later, a second controversial political figure, Marta Lucia Ramírez, resigned from her post as Minister of Defense. As the first woman to hold this portfolio, Ramírez had faced mounting opposition from leaders of the Colombian military, including Armed Forces Commander General Jorge Mora, in part due to her efforts to centralize control over military budgets within the ministry (Center for International Policy, 18/11/03). Shortly after Ramírez’s resignation, General Jorge Mora also made public his plans to retire. Ramírez was replaced by Uribe’s friend and businessman J. A. Uribe Echavarría and General Carlos Alberto Ospina will replace Mora (Washington Post, 13/11/03). The latter appointment is particularly controversial, as General Ospina’s troops were implicated in a 1997 massacre, perpetrated by paramilitary forces, in Antioquia.

Subsequently, on November 11, 2003, the Minister for Housing and Environment, Cecilia
Rodriguez, resigned and was replaced by Sandra Suarez (AP, 11/11/03). According to several analysts, the staggered nature of these resignations and replacements has come across as a sign of political crisis rather than cabinet renovation. Coinciding with these cabinet changes and adding to the political turmoil was the implementation of the first stage of President Uribe’s controversial agreement for disarmament and integration of right-wing paramilitary forces. In a ceremony on November 25, eight-hundred members of a faction of the United Self-Defense Forces of Colombia (AUC), the largest right-wing paramilitary force in Colombia, symbolically laid down their arms in front of the Colombia Peace Commissioner Luis Carlos Restrepo (El Tiempo, 25/11/03). The event was part of Uribe’s plan to demobilize and re-integrate the approximately 13,000 paramilitary soldiers into civilian society by 2005. This plan, which entails impunity for members of the paramilitary irrespective of the human rights atrocities perpetrated by them, has come under severe criticism from politicians and human rights workers both domestically and internationally. Human Rights Watch, a well-known human rights organization based in the United States, called the ceremony on November 25 a travesty, stating that paramilitaries must be brought to trial and held accountable for their role in the conflict (Human Rights Watch, 25/11/03).

Despite these political setbacks, Uribe’s personal popularity remains high, which will likely prevent him from becoming a lame-duck president and allow him to move forward with his political agenda: cracking down on armed insurgents and strengthening and expanding the presence of the state. However its implementation requires significant economic resources, now even harder to raise given the public’s lack of support for the reforms. The referendum and regional elections sent a clear message that proposed economic measure are unacceptable and that more needs to be done to address socio-economic problems of persistent unemployment and poverty. These recent events also confirm, as Colombian professor Ana Maria Bejarano (FOCAL, 24/10/03) pointed out, that Uribe’s popularity is personalistic, that is, it does not translate into support for the government as a whole. Therefore unless he is able to strengthen party-society linkages, his departure in 2006 will likely leave a political vacuum, potentially causing even greater instability.

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Venezuela

The opposition ended a four-day blitz on December 1 to collect the 2.4 million signatures required to force a recall referendum on President Chávez’s rule. Although official results will not be released until early in the new year, opposition leaders claim that more than the required minimum has been collected at the 2,500 centres that had been set up throughout the country for this purpose.

Presidential elections are not scheduled until 2006, however the Venezuelan Constitution permits a recall vote halfway through the six-year presidential term. To trigger the vote, a petition with signatures from at least 20 percent of the electorate (2 million people) is required. It must then be approved by the National Electoral Council, which rejected a previous petition for having collected signatures prior to the halfway point of the presidential term. The Electoral Council has thirty days to assess the petition; if declared valid a referendum would be held within ninety days. International observers were present to monitor the process, which César Gaviria, Secretary General of the Organization of American States (OAS) declared as democratic and fair overall (OAS, 01/12/03).

The opposition’s initiative followed on the heels of a petition process lead by pro-Chávez supporters the previous week. Responding to the opposition’s attempts to force the President out of office, government supporters are seeking a referendum to remove opposition deputies from Congress. Venezuelan Vice President, Jose Vicente Rangel stated that over 7.9 million signatures had been collected in support of the pro-government referendum (BBC, 11/28/03).

The peaceful adherence to the constitutional rules for referenda by both government and opposition representatives thus far is encouraging, particularly given the extreme level of political polarization that has resulted in a coup, mass mobilizations and general strike in the past eighteen months. Although both sides have stated their willingness to abide by the Electoral Council’s ruling on the respective petitions, the President’s recent statement suggesting fraud on the part of the opposition indicates that an unfavourable outcome will likely be contested.
Limited Reach: The Special Conference on Security
Francine Jácome

The Special Conference on Security, which was attended by Ministers of Foreign Affairs and Defence and hosted in Mexico City on October 27-28, 2003, fell short of fulfilling many expectations. In broad terms, progress was expected in three main areas: 1) the re-formulation of the concept of hemispheric security; 2) the initiation of discussions about re-structuring the institutional structures that support hemispheric security; and 3) the definition of mechanisms needed to strengthen cooperation between governments. However, a Declaration about Security in the Americas, emerged from the meeting, containing 52 items upon which there was consensus, and which were organized according to the categories of common values and focus, commitments and cooperation, and institutional matters.

Conceptualization of Hemispheric Security
Consensus was reached regarding the establishment of a new multidimensional definition of hemispheric security that includes traditional threats, as well as the new ones. However, this general statement does not solve the existing discrepancies between the global security agenda of the United States, which is centred around the fight against terrorism and drug-trafficking, and a broader conceptualization centred around human and democratic security. The final declaration makes several references to the need to push forward hemispheric cooperation in the fight against terrorism and drug-trafficking, while at the same time emphasizing the need to tackle problems of development, equity and social justice, and to defend representative democracy. This ambivalence is also present in two additional documents from the Conference - the Declaration of the Central American Model of Democratic Security and the Declaration of the Special Conference on Security regarding the Situation in Colombia – which demonstrate support for both the democratic security model presented by Central American governments, which in practice has serious operational problems, as well as the Colombian government’s predominantly military management of its internal conflict.

The expectation of advancing a security model centred on political negotiation, and not military action, particularly in relation to non-traditional threats, could not be fulfilled. It was not possible to clearly differentiate threats that require a military response from those that do not need one; therefore, it is likely that the concerns of various groups regarding the “securitization” of social, economic, political and environmental issues could deepen.

New Institutional Architecture
It has been pointed out that the present scheme of inter-American security is anachronistic and does not respond to a conceptualization of security that includes both new and traditional threats. It was expected that this conference could mark the beginning of an institutional re-structuring process. However, the conference results demonstrate that the bases for designing a new institutional security architecture were not laid down.

The institutionalization of the Hemispheric Security Commission was reiterated and it was confirmed that this commission continues to be the coordinator of initiatives, including those of the Organization of American States (OAS), as well as between sub-regional, regional and international entities. The need to revise the legal relationship between the OAS and the Inter-American Defence Board was undetermined, but no consensus was reached regarding the modification of the The Inter-American Treaty of Reciprocal Assistance (ITRA), which many, including the Mexican host delegation, were expecting.

Strengthening Cooperation
The most important accomplishment of this meeting was the identification of various mechanisms needed to implement and strengthen cooperation among countries and to jointly confront new as well as traditional threats. It is yet to be seen whether this goal will be achieved given the many commitments that were adopted. Another important matter is the recognition of sub-regional initiatives and the need to establish coordinating mechanisms not only between hemispheric institutions, but also between sub-regional and global organizations.

In this sense, it is important to view hemispheric institutions as the intermediary between global and sub-regional organizations. This interest was also expressed in a document that recognized the Central American governments for their model of democratic security and the contribution that this hemispheric perspective could make to the discussion about security.

One of the innovative elements of the conference was an acknowledgment of the need for civil society participation, which is a result of growing pressure on inter-American institutions to open participatory spaces. Consequently, it is important to emphasize the need to strengthen civil society participation in the discussion,
elaboration and implementation of the multidimensional concept of security. It is now the responsibility of civil society organizations and networks to design strategies and propose mechanisms in order to occupy and reinforce these spaces.

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FTAA: The Common Tragedy of Losing the Single Undertaking

Donald R. Mackay

With the weight of the failed Cancún World Trade Organization (WTO) Ministerial hanging over their collective heads, 34 Trade Ministers from across the hemisphere met in Miami on November 21, 2003. The Miami Ministerial was the 8th since the Free Trade Area of the Americas (FTAA) process was launched in the same city in December 1994 and was, probably, the most strategically difficult session to date.

The key issue hanging over the negotiations was, and remains, the inability of the two co-chairs, the United States and Brazil, to work out a common approach that respected the comprehensive nature of the negotiations as originally agreed at the Summit of the Americas held in Santiago, Chile in 1998. The problem boiled down to a US position favouring a “comprehensive” agreement – but one in which the US would take no new obligations in the area of agricultural subsidies or reform of anti-dumping and countervailing duty measures. And a Brazilian position described as “flexible”, which meant that it would not take on any new obligations in the areas of investment, services, intellectual property or government procurement.

What emerged in the Miami Declaration (in a section embarrassingly misnamed “The Vision of the FTAA”) was a formula in which participants would negotiate certain basic and common rules and obligations on top of which countries would be free to negotiate deeper disciplines on a voluntary basis. The grammatically inconsistent text (paragraphs 5 and 7 in particular would fail a primary school examination) was put forward by the US and Brazil several weeks earlier, and the other 32 countries were informed that no modifications would be accepted. That four paragraph section of the text remained unchanged to the final version, but a group of countries led by Canada, Chile and Mexico were able to introduce a modification in a later section (paragraph 10) requiring some minimum set of common obligations to be negotiated in all nine negotiating groups.
With a stroke of a pen, the 34 FTAA participating countries threw out a fundamental principle that had governed trade negotiations since the launch of the Uruguay Round in 1986. Prior to the Uruguay Round, GATT (General Agreement on Tariffs and Trade) participants could pick and choose among the obligations and disciplines that they were willing to assume. Over time this approach was widely condemned as resulting in both complexity and confusion as trading partners conducted their business under widely divergent rules. The Uruguay Round negotiations were launched on the principle, among others, of a “single undertaking” in which all participants accepted that common rules, obligations and benefits would apply to all. The single undertaking ensured, among other things, that countries with widely differing economic and industrial structures could find a measure of overall balance within a trade agreement and thus allow the results to be broadly acceptable to a large group of countries. Up to now, the broad shape of an FTAA was widely predictable, even if the nuanced details were not, and commercial interests in the Americas were and have been able to shape their operations accordingly. The Miami Ministerial throws all of that into serious doubt.

Undeniable is the fact that the US has now sent the signal that it is prepared to entertain the prospect of granting much-desired access to its market in exchange for a less than comprehensive price. That is to say, Canada, Mexico and Chile all had to agree to deep and broad disciplines in order to achieve preferential access to the US market. If the US eventually exchanges similar levels of access to Brazil at a lower “price”, then the US will have effectively discounted the efforts of its larger and more important trading partners. Flowing from this is the additional worry that by discarding the single undertaking and comprehensive concepts at the regional level, such a policy could very well infect already troubled trade negotiations at the global level. The Doha Round of the WTO negotiations are in serious trouble with the biggest issue being the fact that participating countries continue to be in fundamental disagreement over the core nature and objective of the negotiations themselves. Lacking a single cohesive concept to pull them together, a move away from a single undertaking approach could introduce yet more strains on an already fragile process.

If the United States and the European Union both begin to practice bilateralism at an increased pace then the bonds holding other countries to the global trading systems will necessarily weaken. If preferential access to such large markets is given in exchange for disciplines that fall below those at the multilateral level then the rationale for participating in that forum are likely to disappear entirely. This is the common tragedy of losing the single undertaking.

Donald R. Mackay, FOCAL Executive Director
The Ministers can now go home boasting broad agreement, but they had to torpedo ambition and common sense to get it.

Brazil had good reason to resist negotiating in the areas of intellectual property, investment, services and government procurement. For example, the North American Free Trade Agreement has taught us that investment rules (such as NAFTA’s Chapter 11) can be used by investors to attack government public interest regulations in areas such as environmental protection and public health. And stronger intellectual property rights disciplines would push essential medicines further from the reach of the poor.

With Brazil pushing hard, we might have achieved agreements in these areas that actually served the hemispheric interest. But the current arrangement allows the US to push through plurilateral deals that are bad for developing countries while Brazil, which is strong enough to be able to do so, opts out. The rest of Latin America will be relentlessly divided and conquered by the US in this kind of negotiating forum.

Lowered ambition also means a missed opportunity for Canada and others that, like Brazil, want the US to cut back its bloated domestic agricultural support programs and lower trade barriers in key areas.

The buffet tray approach also means that we can forget any hopes for a regional environmental mechanism. Some environmentalists had called for an institution to track and manage environmental concerns at the regional level, and build capacity in the hemisphere to better manage environmental challenges. Though Canada has included such an institution in all of its free trade agreements in the hemisphere to date (albeit with no real budgets) a scaled back regional agreement, scrubbed of any controversial elements, would surely mean a break in that trend.

The Miami deal should also worry developing countries outside the hemisphere. These countries have tried to rely on a strong rules-based multilateral system to protect their interests against trade bullies such as the US and the EU. But since the failure of the world trade talks in Cancún two months ago, the US has redoubled efforts to sew up bilateral deals, where it has much less trouble getting what it wants. Multilateralism, dealt a body blow by the Cancún results, has taken another powerful hit.

The Cancún failure, embarrassing and demoralizing for the Ministers, must have haunted them as they negotiated in Miami. Many charge that the skimpy results of the November meetings were a desperate attempt to avoid another outright collapse.

The public interest would have been better served if the Ministers had frankly admitted failure, and vowed to continue working. Better no deal at all than a poor deal.

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FOCAL Coordinates Civil Society Consultation for the Special Summit of the Americas

In preparation for the upcoming Special Summit of the Americas, to be held in Monterrey, Mexico in January 2004, the Department of Foreign Affairs and International Trade (DFAIT) has asked FOCAL to collect the views and opinions of a broad range of civil society actors in Canada and Latin America. The purpose is to identify some of the goals and priorities on which Canada, other hemispheric leaders and multilateral bodies should focus when the 34 governments of the hemisphere meet at the Special Summit.

Please provide your input on any or all of these themes at:
http://www.focal.ca/english/survey.htm (English)
http://www.focal.ca/english/survey_fr.htm (Français)
http://www.focal.ca/english/survey_sp.htm (Español)

Please make your contribution by 10 December 2003.

You may access FOCAL’s articles, comments and publications at:
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