Op-Ed

Canada and Democratic Development Overseas

John W. Graham

Since 1990, the year Canada joined the Organization of American States (OAS), 19 of its 34 members have had one or more of their elections monitored by international observers. In this period the OAS alone has conducted over 80 observations. Millions of dollars (a lot of it Canadian) have been invested and hundreds of Canadians have been involved. Clearly, a major undertaking, but has it done any good? Has it changed the course of democratic evolution in the Americas?

If you compare the dictatorship dominated political landscape of the Americas in the pre-eighties period with the present, the answer is that the investment has been amply rewarded.

In the Western Hemisphere, the most spectacular vindication of this process was the Nicaraguan election of 1990. In Nicaragua the Sandinista leader, Daniel Ortega, had agreed to invite observers in the firm expectation that they would be endorsing a Sandinista victory. When it became apparent that he had lost, Ortega had second thoughts but was eventually persuaded to accept the victory of Violeta Chamorro through the diplomacy of Jimmy Carter and President Carlos Andrés Pérez of Venezuela. However, these individual efforts would have been futile if the observers and the advance preparations had not delivered a highly credible verdict. More ground breaking occurred in the Dominican elections of 1994 when the OAS mission blew the whistle on election manipulation which had deprived the opposition of victory. A similar pattern was followed when the OAS withdrew from President Alberto Fujimori’s blatantly rigged elections in Peru in the year 2000, which set the stage for intense Inter-American pressure, the resignation of Fujimori and the return of Peruvian democracy.

The evidence demonstrates that advance preparation and election monitoring have contributed significantly to imbedding a democratic culture. Success has also meant that traditional election observation in many countries is becoming obsolete. The objective is, of course, just that: to make electoral observation by foreigners obsolete.

Unfortunately, there has been slippage. Very troubling in Latin America is evidence that popular confidence in the democratic system is eroding. But that has little to do with the electoral process and much to do with the failure of expectations engendered...
by the promotion of democracy in the 1980s and the collapse of respect for political parties. Canada, especially through parliamentary networking and through the OAS, can do more to help parties and parliaments rebuild. The Canadian International Development Agency has good governance programs in many countries. These programs need to be applied to political systems, not just to bureaucracies.

In those countries where uncertainties, corruption or instability still call for outside observation the focus should include accounts of what is happening at polling stations on election day but sharpen on pre-identified weak spots in the process, such as abusive government control of the media, election transport, computer fraud, election financing, intimidation, lack of transparency in the registration of voters and improper security of ballots. The principal observer organizations are sending in teams many months in advance to determine the tilt of the electoral playing field and to locate the major deficiencies. In places where the democratic culture has not taken hold or is tenuous the role of a few long-term observers can be more important than the activities of large numbers of observers who spend only a week in the country.

The usual mandate of an observer mission is to assess whether an election can be endorsed as genuinely free and fair. The approval of international observers helps to establish legitimacy both internally and externally. For countries undergoing a transition from authoritarianism to the beginnings of a democratic system, the observer process has been critically important and, if accompanied by long-term technical assistance, has been shown to play a decisive role in facilitating that transition. In countries where a democratic culture has been all but extinguished by dictatorship or has never matured, expert technical assistance must start from scratch to build reliable voter registration lists and other electoral infrastructure. Another function of the election observers is to determine whether the system is capable of providing a reasonably accurate result. Each mission must be invited by the state holding the election and each mission must solicit funding from the donor community. Repeated invitations to perform this delicate and intrusive role underline the importance of high credibility.

Twice in the last two years the Canadian government has organized election missions that were exclusively Canadian. There is a temptation to look upon Canadian observer missions as opportunities to burnish the Canadian image at home and abroad. We go down this road at our peril. Election missions must have the credibility, built on a cumulative track record, to enable them to endorse or repudiate an election process. National missions carry political baggage or are susceptible to political baggage that can compromise essential credibility. What would have happened to our mission to the West Bank and Gaza if the Globe and Mail or Le Soleil had published religiously insensitive cartoons while we were in Palestine? Multilateral missions are better insulated from this predicament.

To conclude, I believe that, in practical terms, it is more effective and more economical to contract the management of election support outside of government. CANADEM or Elections Canada, which performed so well in the recent Haitian elections, could act as a clearing house for assessments and lessons learned.

NICARAGUA

Daniel Ortega was declared Nicaragua’s President-elect on the evening of November 7, two days after ballots were cast in the November 5 general elections. The leader of the Sandinista National Liberation Front (FSLN) had 38.07% of ballots, nearly 9 points ahead of his closest rival, Eduardo Montealegre. The centre-right vote was divided between Montealegre, leader of the centre-right Nicaraguan Liberal Alliance (ALN), who garnered 29% of the vote, and José Rizo from the Constitutional Liberal Party (PLC), who finished third with 26.21%. Edén Pastora, from the Alternative for Change (AC) and Edmundo Jarquin, from the Sandinista Renovation Movement (MRS), received 0.27% and 6.44% respectively (http://www.elecciones2006.net.ni/escrutinio/general_p.html).

Under recently updated electoral rules, Ortega needed 35% and a 5-point advantage over the runner-up to win without a second round.

The Organization of American States, the European Union, and the Carter Center observed the election, together sending around 700 experts. The international and national observing organizations coincided in highlighting the accountability of the Nicaraguan electoral process.

Montealegre conceded defeat and pledged to work with Ortega. Ortega promised to govern as a moderate with respect for private property. This was his third attempt at re-election since he was voted from office in 1990.
Elections are, of course, only one part of the process. Access to information is a vital tool of the democratic process that Canada must continue to promote and support. Supporting local civil society organizations is also of critical importance. We already work with civil society, but much too often it is the civil society of well-educated and well-heeled elites. We must connect more effectively below these levels. Much should be done through the OAS. No regional organization outside Western Europe has struck out so boldly for the values of democratic governance. The OAS should nudge the region toward better governance and greater accountability. It needs more support to do its job as the bulwark of hemispheric democracy.

John W. Graham is the Chair of FOCAL’s Board of Directors. This article is based on a presentation given to the House of Commons Standing Committee on Foreign Affairs and International Development on October 2, 2006.

General Elections in Brazil: When Lula Faces Corruption

Sylvain F. Turcotte

Following a presidential campaign that presented no genuine vision or concrete platforms and that was in fact one of the most boring campaigns since democracy returned to the country in 1985, Brazilians handed a second presidential mandate to Luiz Inácio Lula da Silva in the general elections of October 2006. Considering the number of votes he received during the second round, this election made the former union leader the most popular president in the history of Brazil. This campaign never really got off the ground because everyone knew that Lula would easily win re-election. Even the Brazilian Social Democracy Party (PSDB) realized this and chose to sacrifice Geraldo Alckmin upon the presidential election altar in an effort to increase the chances of José Serra and Aécio Neves, its presidential hopefuls who have been elected as governors of the states of São Paulo and Minas Gerais—positions considered to be important launching pads for the next presidential elections in 2010.

What did surprise analysts during this campaign was the need for a second round, triggered by a new corruption scandal that broke out just before the election at the end of September. Reminiscent of the famous June 2005 mensalão scandal, in which the Workers’ Party (PT) bought the support of small, allied parties in order to maintain its legislative coalition, the Brazilian media revealed to voters a few weeks before the first round that the President’s close advisors had been caught purchasing an incriminating file containing false information intended to discredit the star candidates of the PSDB, the main opposition party. Once again, Lula addressed Brazilians and told them that he knew nothing about this.

The repeated episodes of corruption that have shaken the Lula government since the spring of 2004 persuaded the opposition to place the issue of political ethics at the very forefront of its electoral campaign. Ethics indeed became the catchword of Geraldo Alckmin, who accused Lula and the PT of creating an extensive network of corruption powered by public funds. In spite of all this, more
than 60% of voters chose to re-elect Lula in the second round. What explains this overwhelming success despite the numerous crises that have severely affected the government's legitimacy?

Some have said that Lula’s supporters were like a captive audience due to a lack of education, and consequently were not swayed by rational arguments. Others have suggested that ethical issues are not important in Brazil because electors support the politicians who will make headway when they are in power, even if this means stealing public funds (rouba mas faz). In any case, there are three crucial elements for understanding why Lula da Silva was re-elected in this context.

First of all, Lula benefits from enormous political popularity due to his personal connection with the vast majority of the Brazilian people. The image of the shoe-shiner-turned-president touches upon a central element in Brazil’s political culture. The ideologues from the PT understood this when they chose Lula as a candidate in 1989 during the first direct presidential election after the return of democracy. Lula is a man of the people, and in a very unequal society this generates considerable political support.

Secondly, the PT’s social assistance policies have significantly reduced the national poverty level. Since 2002, statistics show that poverty has dropped by 15% nationwide, which naturally contributes to President Lula’s popularity. For example, the famous “Bolsa Familia,” a supplemental subsidy of USD$35 per month for the poorest segment of the population, helps improve the lot of more than 11 million Brazilian families. A 16% increase in public spending during the year prior to the presidential election set the stage for Lula’s re-election.

Finally, in Brazil political life rests primarily in the hands of candidates, whereas parties, their platforms and the ideas that they promote have little importance. Brazil’s highly personalized political scene also explains why partisan loyalty is not considered to be important by either the political class or the electorate. In Brazil, the majority of voters identify personally with Lula; the Workers’ Party appears to be merely a political machine like any other.

In this context, Lula’s strategy was fairly predictable. After the first round, the PT candidate rehashed the centre-left discourse that he had used in 2002 against José Serra, the PSDB candidate at the time. This enabled him to win votes from supporters of Heloísa Helena and Cristovam Buarque, two former PT members who were candidates during the first round of presidential elections and accused Lula and his party of having abandoned the progressive ideals they had touted since the beginning of the 1980s. By accusing the opposition candidate of wanting to privatize large public companies such as Petrobras and Banco do Brasil, Lula struck a nationalist chord and sent a clear message to supporters of Heloísa Helena and Cristovam Buarque. This is essentially how the incumbent increased his support during the second round (climbing from 48.6 to 60.8% of the votes). Meanwhile, Geraldo Alckmin was unprepared to respond to these accusations and lost political support that would have been essential to his victory (sliding from 41.6 to 39.2% of the votes). At the end of the campaign, Lula played the card of political polarization by pitting the Brazilian people against the São Paulo elite, who were represented by the PSDB candidate. We know how this story ended.

After this victory, Lula will begin his second term in an even stronger position than in 2002. First because he survived his decision to implement the liberal economic policies that he had criticized for more than 20 years. Secondly, because he successfully defended his party’s mistakes by explaining that the Worker’s Party had done no worse than the other political parties, even though this contradicted the usual discourse of the PT that associated itself with a new generation of parties
concerned about political ethics. But “Lulism” may not be a viable option for this second mandate. The drain of the social assistance policies on public finances cannot go on much longer without the true economic growth that, so far, Lula has not been able to deliver.

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Extractive Industries and Sovereignty over Natural Resources in Peru: The Case of the Mining Sector
José De Echave

Background

Since the beginning of the past decade, Peru has chosen to implement a series of policies aimed primarily at opening the economy. Central to this reform was the prioritizing of productive sectors that in principle had a competitive advantage in foreign markets. Within this strategy, extractive industries such as mining were to play a starring role in the productive output of the new economic performance plan.

Thus, in a single year (1991), a program of structural reforms was established. Legal mechanisms were passed that sought to provide solid ground for investors, offering assurances of legal and fiscal stability, as well as clear rules for acquiring state-owned businesses and a policy that eased labour relations. At the same time, protection of environmental legislation and laws regarding peasant lands and communities were losing ground and becoming permissive vis-à-vis the policy on promoting investment in the extractive industries.

In this context, Peru began to experience an era of mining expansion. A few figures illustrate the mining boom: the sector has grown at an average rate of 8% over the past ten years, contributing around 6% of the gross domestic product. Simultaneously, it contributed 50% of the profits earned through exports, accounting for 15% of foreign investment. In Latin America, Peru rose to rank second in copper production (fifth worldwide), and first in production of gold and zinc (sixth and third worldwide, respectively).

The Social Dimension of the Mining Boom

In addition to these figures that demonstrate the growing participation of the mining sector in the Peruvian economy, certain variables present other aspects of the growth of this activity. For example, the area occupied by mining in Peruvian territory has grown exponentially. In 1991, mining rights covered scarcely 2.258 million hectares, but reached 15.597 million hectares in 1997.

This growth not only strengthened the mining presence in areas where it was already established, but also spread it to new regions. Additionally, the advance of mining began to affect sensitive areas and territories traditionally used for agricultural activities, with peasant communities being the population most affected. By the end of the last decade, 3,126 (or 55%) of the 5,680 recognized peasant communities holding property deeds in Peru were found in zones influenced by some type of mining activity. In this context, conflicts between companies and rural communities began multiplying throughout the country.

The primary social conflict faced by mining in recent years has been the conflict with neighbouring communities. As various studies have demonstrated, this is not a phenomenon exclusive to Peru; on the contrary, it has lately become a global conflict, repeated throughout distinct regions around the world.

What is the True Significance of these Conflicts?

The dispute between mining companies and rural communities over the control and sovereign management of natural resources has been a central element of the conflict. With the arrival of external stakeholders, as in the case of mining companies, local populations have seen themselves as a kind of guardian of ecosystems.

Conflict analysis shows that these populations perceive the expansion of the mining sector as lacking in control and instruments that would allow for the protection of people’s rights and a sovereign management of the natural resources. The presence of this activity, even since the stage of exploration, exerts strong pressure to control and manage the strategically important resources of these local populations who also point out that the law provides them with no instruments to defend their rights, and that mining entails enormous social and environmental costs.

What, for instance, does the World Bank say on the subject? Upon concluding a review process of the role it has played in promotion of the extractive industries (Extractive Industries Review: Consultation on the future Role of the World Bank
Group in the Extractive Industries, draft version 21/08/2003), it was concluded that

“[…] the mission of the World Bank Group is to reduce poverty through sustainable development. If the Bank is to play a role in the extractive industries, it must be because such a role contributes to fulfilling its mission […] (p. 1).”

Further on it states that in an analysis conducted and based on case studies in Peru, Tanzania and Indonesia, “countries that have experienced World Bank and [International Monetary Fund] structural adjustment programs and institutional reforms linked with development in the extractive sectors […],” it was confirmed that

“despite the World Bank’s efforts to improve the performance of the extractive sectors in regard to social and environmental issues, the expansion of these sectors under the auspices of structural reform programs has resulted in unnecessarily high social and environmental costs, and in some cases, has exacerbated macroeconomic vulnerabilities (p. 1).”

A review of what has happened in Peru confirms this perspective and supports the position adopted by the affected populations. The different groups involved in cases of conflict have followed a clear plan of defending what they view as their rights, and have also been proposing the implementation of new regulations to allow for more adequate social and environmental management in regions influenced by mining.

Undoubtedly, situations such as that of Peru and the majority of Latin American countries raise additional challenges in building relationships between the distinct interest groups in the regions affected by mining. These relationships would help to prevent alienation and strengthen strategies of consensus building and tolerance; hence, encouraging the informed participation of these populations.

This continues to be the primary challenge in the working agenda of these communities, and of the organizations that share the goal of building a new social contract in areas influenced by mining.

One of the most valuable aspects of the mobilization of people affected by extractive industries in recent years is having brought to light the fact that development, with its essential component of economic growth, must entail an ethical dimension of unrestricted respect for human rights, democratic principles and, as such, civic participation.

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Op-Ed

Bolivia: Difficult Conditions for Reaching Agreements in the Constituent Assembly

José Blanes

How can the various forces involved in the Constituent Assembly find a basis for compromise and make progress has become an issue of concern, particularly given the challenges that the Assembly is faced with. Among these challenges are the completion of the proposal for the State’s Political Constitution within the deadline established by law, getting the new Constitution approved in the referendum and ensuring that the document enjoys enough support in the drafting stages to derive sufficient legitimacy at the end. Criticism of the government opens the door to the second option, and generates unease within the government and members of the Movement toward Socialism (MAS).

The Constituent Assembly, rather than being a space for consensus building towards a social pact, seems to have become a battleground between the MAS and the Social and Democratic Power (PODEMOS). The issues at stake do not easily favour rapprochements; on the contrary, it is likely that the gap between the contenders will widen as the process continues.

For the MAS government, the Constituent Assembly’s main goal is the re-founding of the state. This necessarily requires accumulating power, as it would be difficult to effect the changes required by the MAS’ revolutionary project through democratic mechanisms, especially given the collapse of the party system in the country. The Constituent Assembly is also a response to the social movements that mobilized for it. For indigenous peoples, the country’s re-founding would mean enhancing regional autonomy as a means to achieve full citizen inclusion in the country. For its part, MAS promotes a radical discourse on nationalizations.

The opposition, particularly PODEMOS, aspires to modernize several aspects of the current
Constitution through the Constituent Assembly, use the support of departmentautonomies to halt any plans to effect change in agricultural lands, forests and cattle fields in the east, and control revenues generated by hydrocarbon resources and mining rights. The Constituent Assembly might also provide legal certainty for national and foreign investments.

In between these two positions are 13 small political groups that, although they oscillate between MAS’ and PODEMOS’ proposals at different times, agree on aspects such as the defence of sovereignty over natural resources and upholding the rule of law. In addition, most of these groups refuse to give the MAS complete control over the Constituent Assembly and demand respect to current political constitution.

Outside the Constituent Assembly, society is polarizing around the two main positions. The civic leaders and the governors of the four Eastern departments (lowlands) plus Tarija in the Chaco region have waged a battle against the MAS by means of a highly symbolic civic lockout, which inspired the rest of the opposition dispersed throughout the other departments. Furthermore, they threatened to withdraw from the Constituent Assembly and in so doing, de-legitimize the process. The Assembly under the control of MAS would endanger the prospects of the autonomy proposal to be discussed. This proposal was approved at the department level but was rejected by national referendum. Civic leaders and governors also expressed fears over the possible implementation of measures such as the nationalization of hydrocarbons and mines, as well as land redistribution in their departments.

All of this has had a great impact in the country and within the MAS, forcing President Evo Morales to relieve pressure on the Constitutional Assembly representatives and stop attributing a foundational and original character to the Constituent Assembly. It was in this way that he managed to obtain the approval of most of the Assembly’s rules and break the deadlock existing within the Assembly, as well as in the dialogue among the various MAS forces and between it and its allies.

Meanwhile, social sectors have continued to pressure Morales, particularly some indigenous peoples who do not feel included by the MAS. Demands by labour unions for a more radical stance and indigenous demands for land redistribution both make it difficult for the MAS to tone down its strategy of confrontation, which it has used to bolster its position in the Constituent Assembly and in the government.

The true possibilities to reach a consensus that would ensure the success of the Constituent Assembly lie outside the government and the opposition. The political weight of the other 13 groups could be used to solve conflicts that hurt the proceedings of the Constituent Assembly. Obviously a resolution to conflicts depends on the two poles of confrontation. However, the groups in between have a great responsibility in bringing about national unity, in the face of the views of the Western indigenous groups and the excessively defensive positions of the East. Should these political groups fail to play such an important role in defusing conflict, Morales’ potentially undemocratic intentions would become a matter of concern, particularly in the event that he and the MAS find no support for their revolutionary project in the Assembly.

These groups could provide solutions, as occurred during the deadlock over the approval of the Constituent Assembly’s rules. A new impasse could indeed appear in the process of approving the articles of the Constitution, further reducing the
possibility of reaching the necessary agreements to make the Constituent Assembly viable.

At the very least the conditions for achieving such agreements are difficult. On one hand, the victory in the negotiations with Argentina and the oil companies could tempt Morales to impose his positions in the Constituent Assembly, especially over key issues such as land property rights, department’s autonomy and natural resources. On the other hand, concerns within and outside Bolivia are affecting the government’s image, due to its revolutionary radicalism and the associated uncertainty it brings forth. The government is taking too long to manage these issues and may not be able to keep up the confrontation. The President faces the dilemma of either being a revolutionary or giving in. Although he needs to reach agreements to further his revolutionary plans, his approval levels have been dropping very fast and could fall even further if he continues losing ground with the indigenous populations. How Morales manages these tensions and opportunities will determine the success of the Constituent Assembly.

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**Publications**

**Civil Society in the Promotion and Strengthening of Democracy in the Americas: A Vision for the Future**

*Laurie Cole and Caroline Lavoie*

On March 1 and 2, 2006 in Ottawa, Canada, the Canadian Foundation for the Americas (FOCAL) held a strategic working session followed by a public conference to take stock of civil society initiatives in the Americas in light of evolving political realities and the status of multilateral efforts.

This report provides a synthesis of the main threads of the discussion, highlighting new ideas, priorities and recommendations. The report seeks to support CSOs in their work and inform donors, governments and international institutions about how they can work collaboratively and productively with CSOs in the pursuit of common goals.

[http://www.focal.ca/projects/civilsociety/index_e.asp](http://www.focal.ca/projects/civilsociety/index_e.asp)

**Exploring National Contexts: A Report on Seminars in Ecuador and Bolivia**

*Laurie Cole and Caroline Lavoie*

This report summarizes the discussions among participants in two seminars held by FOCAL in Quito, Ecuador and La Paz, Bolivia in August 2006. The seminars gathered CSOs and other national stakeholders together to determine how the main regional trends and challenges facing democracy and civil society analyzed in *Civil Society in the Promotion and Strengthening of Democracy in the Americas: A Vision for the Future* compare with the current Bolivian and Ecuadorian realities. The report calls attention to common trends as well as to the particular features of both countries.

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