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## Mexico and Canada: The Good, the Bad, the Ugly...and the Pragmatic

Isabel Studer

### The Good

Eight Cabinet Ministers and a large delegation of businessmen accompanied Mexican President Vicente Fox on his official working visit to Canada. The high level of this delegation and the signature of nine agreements on various issues (including government cooperation, health, environment, economic cooperation and trade) illustrates the relevance that the governments of Mexico and Canada give to their bilateral relationship—considered by both as strategic—in a context where the United States has shown little interest in its neighbours.

Although this year Mexico and Canada celebrate the 60<sup>th</sup> anniversary of the establishment of diplomatic relations, it is during the last decade, with the North American Free Trade Agreement, that they have developed bilateral linkages. Trade has substantially increased—Canada is the second main export market for Mexican products, and Mexico is already the third source of imports to Canada and it's main partner in Latin America. Canadian accumulated investment in Mexico is over \$3 billion and there are approximately 1,400 Canadian firms operating in that country.

Government and social contacts have rapidly multiplied and diversified. Aside from cooperation in agriculture and energy, the new areas of cooperation include social development, indigenous affairs, health, housing, environment, human rights, electoral affairs and good government. The Seasonal Agriculture Workers Program—which this year celebrates three decades of existence—includes over 10,000 Mexican workers and is a model of international cooperation. Add to that the numerous contacts between Mexican states and Canadian provinces, and more recent ones between parliamentarians, which have acquired more relevance with political changes in Mexico.

Furthermore, new opportunities for cooperation and convergence with Canada in the international arena have arisen due to the new Mexican policy that favours the promotion of democracy and human rights. Examples include Mexico's support for the International Criminal Court and their position before the United Nations (UN) Human Rights Commission and regarding the reform of the UN. Another important convergence was the opposition of both countries to US military intervention in Iraq without UN authorization.

Thus, the strengthening of the linkages between Mexico and Canada is such that it is one of the most significant changes in these countries' foreign policies.

### The Bad

Despite these advances, the perception still lingers that Canada and Mexico have not been able to fully develop the potential of their "strategic alliance". For some this is explained by the lack of either an institutional framework that makes visible the dynamism of the relationship, or of a long-term vision about the significance of this alliance. According to this view, the partnership requires a strategy of greater coordination in priority areas for both countries in the Western Hemisphere. Others point to the need for Mexico and Canada to take advantage of the complementary nature of their economies and deepen their linkages even more. According to this vision, there will be no real interest in the trilateral agenda until the Mexico-Canada relationship reaches a level similar to the relation that each of them maintains with the United States.

But a minimal dose of realism is enough to foresee that no matter how much the Canada-Mexico relationship progresses, it will always be less important than the other two bilateral relations in North America. Thus, the essential element required to make this strategic partnership function is that it be based precisely on the primary interests that these countries have with the United

States. That is, the only way to make the Mexico-Canada relationship strategic is for the governments of these countries to coordinate efforts to deepen North American integration, and involve the United States in the creation and broadening of common interests of the three countries in the region.

### The Ugly

It was Vicente Fox who proposed the initiative to deepen the integration model, including the creation of a regional community closer to the European experience, the strengthening of the North American Development Bank and the establishment of measures to allow the mobility of labour in the region. Prime Minister Jean Chrétien received this proposal with little enthusiasm, if not with coldness. Since then, the Canadian government has preferred to advance the trilateral cooperation agenda gradually and with caution. To be fair, it should be said that the attitude of the current federal government is perhaps not as unfavourable than the one that remains within certain sectors of the Canadian society, particularly among intellectuals. Within these circles, there is preference for a two-speed North American integration process, reflecting a reality where these countries' agendas with the United States are radically different. This vision was only reinforced after September 11.

It is true that historic and cultural reasons explain Canada's lack of interest in automatically embracing Fox's North American initiative. Traditionally, continentalism—or the creation of an economic, political and social community with their southern neighbour—has been rejected by Canadians in an almost automatic and generalized way. Multilateralism is seen not only as the best means to counterbalance the weight of the United States in Canada's international relations, but is also critical to Canada's own perception of its role in the world, especially in the context of already existing high levels of economic integration between the two countries.

### The Pragmatic

The supposition that currently there might be a new opportunity to promote the trilateral initiative, now that the new government of Paul Martin has

## Mexico

Nine new agreements were signed between the governments of Mexico and Canada during the working visit of Mexican President Vicente Fox to Canada on October 24-26, 2004. The most important of these was the establishment of the Canada-Mexico Partnership, a public-private forum—including business leaders, economic actors, and senior policy makers—to identify policy areas of interest and potential cooperation between the two countries. Modelled after the US-Mexico Partnership for Prosperity, this mechanism should serve as a framework to promote development and investment at the bilateral level, which is intended to increase competitiveness and security in the North American region.

In addition, they signed agreements to cooperate on initiatives for climate change and to foster sustainable development, as well as on areas including housing, health and health research, tourism, and education. Mexico and Canada also committed to strengthening bilateral cooperation in international fora (e.g. at the United Nations, the G-20, and the Organization of American States).

The delegation accompanying President Fox included seven Cabinet Ministers, one senior government official, Mexican legislators, and a contingent of entrepreneurs.

expressed interest in getting closer to the United States, is very optimistic. I am inclined to think that Canada will continue its preference for a pragmatic negotiating approach with the United States, keeping its options open. Mexico will likely reproduce a similar perspective vis-à-vis the North American initiative and will continue enhancing the dynamic relationship with their other neighbour in North America. Meanwhile, without bilateral coordination in North America, the concept of the Mexico-Canada strategic partnership will remain incomplete. ■

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## Bush, Kerry, and Castro: Stormy Relations Ahead

Daniel P. Erikson

The 2004 presidential campaign proved to be a near-miss hurricane in US-Cuba relations, stirring up occasional high winds but leaving behind far less damage than many predicted. The debate over the 'war on terror' and the increasingly bloody conflict in Iraq simply eclipsed every other foreign policy issue. In 2000, it would have been almost inconceivable to hold a foreign policy debate in Miami, Florida without a single question on Cuba. By contrast, the first debate between President George W. Bush and John F. Kerry focused almost entirely on Iraq. Cuba (or for that matter, Latin America) was never mentioned, and no one seemed to mind. But Fidel Castro is not getting any younger, and US-Cuba relations are likely to re-emerge as a point of contention for the next administration.

Of course, Cuba policy has remained an important element in the presidential and legislative contest in Florida. In May, the Bush administration implemented new travel restrictions to limit Cuban-American family visits and reduce the opportunities for educational exchange between the two countries. Kerry promptly blasted the measures as a "cynical and misguided ploy for a few Florida votes" and reaffirmed his support for ending the travel ban. Although both candidates publicly back the US trade and investment embargo, Bush and Kerry in fact have the most sharply different views on US-Cuba policy of any two major party candidates since the end of the Cold War. Bush has strongly opposed Congressional efforts to lift the travel ban and soften some other aspects of the sanctions, while Kerry has a long track record of favouring greater engagement with Cuba. With increasingly sophisticated polling and "get-out-the-vote" efforts among Hispanics in general, and Cuban-Americans in particular, Cuba remains a significant niche issue in US presidential politics.

President Bush made extensive efforts to shore up political support among Cuban exiles, but he is unlikely to match the 80% of the Cuban-American vote that helped to push him over the electoral threshold in 2000. The new travel restrictions pleased hardliners in the exile community, but also opened

fault-lines among Cuban-American voters that may benefit his opponent. In September, the House of Representatives voted 225-174 to repeal the new limits on family travel, a symbolic rebuke of the White House that was supported by Representative Bob Menéndez (D-NJ), a senior Cuban-American legislator who broke with three of his Florida colleagues. While the former Bush cabinet secretary Mel Martínez competed to become Florida's first Cuban-American Senator, the ex-director of the Cuban-American National Foundation Joe García quit his post to work for the Kerry campaign, citing Bush's "ridiculous pandering" on Cuba policy. The Bush administration's efforts to tighten the screws on Castro may have unintentionally created an opportunity for his challenger to siphon off crucial votes.

Kerry, too, had his missteps on Cuba. He boasted of his support for the 1996 Helms-Burton bill, an ill-conceived effort to broaden US sanctions that Kerry had actually voted against. In June, he told the *Miami Herald* that the Varela Project, a widely admired democratic reform movement led by Cuban dissident Oswaldo Payá, "has gotten a lot of people in trouble (...) and it brought down the hammer in a way that I think was counterproductive". The resulting furor, which included a scathing article on Kerry's "cruel realism" by *New York Times* essayist David Brooks, made the Democratic nominee appear either unconcerned or ill informed. In October, when Secretary Powell commented that Fidel Castro was not "that much of a problem for the rest of the hemisphere" compared to 15 years ago, Kerry issued an alarmist statement denouncing Powell's assessment as "shocking". Whether Kerry will have the opportunity to chart a steadier course on Cuba policy after November remains to be seen.

Yet compared to past presidential election years, the 2004 campaign will leave little in the way of lasting damage to US-Cuba relations. Unlike the 1992 Cuba Democracy Act or the 1996 Helms-Burton bill, this campaign did not provoke an effort to legislate new sanctions. Miami's emotional wounds have largely healed from the Elián González saga of 2000, in which a Cuban boy was informally adopted by his Miami relatives and then, under court order, was forcibly removed

and returned to his father in Cuba. If re-elected, Bush is likely to soften the new travel restrictions issued last May, while Kerry is almost certain to reverse them.

But the spectre of dramatic change in Cuba continues to lurk on the horizon. In late October, Fidel Castro tripped and broke his knee and arm while attending a graduation ceremony in the Cuban province of Santa Clara. Castro immediately appeared on state television to assure Cubans he was "all in one piece," while US State Department spokesman Richard Boucher responded that "I'd guess you'd have to check with the Cubans to find out what's broken about Mr. Castro. We, obviously, have expressed our views about what's broken in Cuba". Bush and Kerry have very different views on how to deal with Castro, but neither candidate is likely to go to great lengths to fix a broken US policy, irrespective of who occupies the White House after November. ■

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### The Dialogue's Open Letter

In September 2004, the Inter-American Dialogue (the Dialogue) sent an "open letter" to Secretary of State Colin Powell on US policy toward Cuba. This letter was the product of a small group of prominent individuals with experience in US-Cuban relations, who were invited by the Dialogue to comment on the report of the Powell-chaired Commission for Assistance to a Free Cuba. The Commission, created by President Bush, was charged with generating recommendations for hastening Cuba's transition to democracy and assisting a new, non-communist government on the island. Its 423-page report, released last May, is the most important and extensive review of US policy toward Cuba in recent memory. The Dialogue letter highlights this group's concern regarding the report's ambivalence about the commitment of the US government to peaceful change in Cuba. Taken as a whole, the report suggests that the US government regards the possibility of peaceful change in Cuba as subordinate to the larger goal of ending the Castro government. According to the Dialogue letter, while US policy towards Cuba has long been controversial and even divisive, there had been wide agreement that the central goal was a peaceful transition to democracy in Cuba. Abandoning that commitment would represent a dramatic and unfortunate change in US policy. As such, the relative priority of US policy toward Cuba needs to be reversed—and a peaceful transition in Cuba should remain the fundamental goal of US policy. The letter can be found at: [http://www.thedialogue.org/publications/country\\_studies/open\\_letter.pdf](http://www.thedialogue.org/publications/country_studies/open_letter.pdf)

## Local Elections in Ecuador: Continuity and Change

Jorge León T.

On October 17, 2004, Ecuador held mid-term elections to elect representatives at the local and regional levels of government (22 Provincial Prefects; 91 Provincial Councillors; 219 Municipal Mayors; 893 Municipal Councillors; 3,980 County Council members).

The majority of the political organizations consider they have made gains, which is not surprising given the highly fractious party system that exists in Ecuador (on average 12 parties enter Congress and the party holding the plurality generally does not capture 20% of the votes or 25% of the seats). Each party saw its victory as a function of its limited calculations: Some parties sought to obtain the minimum number of votes required in order not to lose legal recognition; others to hold their electoral constituency; some to capture more votes than their opposition within the same electoral boundaries; still others to increase their voter support and the number of party members elected, looking toward the upcoming presidential elections.

In general terms, the governing party anticipated that it would obtain a favourable result in these elections. However, the returns to date suggest the reverse for President Lucio Gutiérrez and his Patriotic Society Party, not only because his party barely obtained the minimum percentage of votes required to maintain legal status (5%), but also because Gutiérrez himself actively campaigned across the country promoting his party, certain of a victory based on the credibility of his administration. His weak election results are considered to be a plebiscite for his removal. In the polls, his popularity has fallen to 8%. The election results and his use of public funds for the campaign immediately raised the idea of his dismissal. Although there is not majority support in Congress for this, the parties actively promoting this idea believe that following the political culture of the country, the electorate would take to the streets supporting a call for the president's dismissal. However, the surveys indicate, contrary to popular assumptions, that

after the dismissal of two presidents in the last eight years and the subsequent negative effects of this instability, Ecuadorians at this time do not support this idea.

The election results available to date reveal that Ecuador has maintained its record of political fragmentation, with a hint of regionalization. The centre and left parties gained ground in the highlands region while the right and populist parties predominated on the coast. The changes within these patterns are not enormous, even if the Christian Social Party (PSC) increased its support on the coast, and the social democrats of the Democratic Left (ID) did the same in the highlands. The populist parties, National Action for Institutional

Renewal (PRIAN) and the Ecuadorian Roldosista Party (PRE), in constant dispute, maintained an important percentage of votes in the coastal region. The Pachakutic party, originally formed by indigenous organizations, maintained the required 5% of the vote despite having withdrawn from the governing alliance six months ago. Its presence has been primarily in the municipalities with a high concentration of indigenous peoples. In this election Pachakutik took 18 municipalities and also established a presence at the provincial level, winning three prefect races. These developments can be attributed to its image as a pluricultural and inclusive party.

## Colombia

After protracted debate, the United States reaffirmed its commitment to Plan Colombia on 9 October when Congress approved, with an overwhelming majority, the 2005 National Defence Authorization Act (Bill WR-04-13). The legislation not only calls for the intensification of US military presence in Colombia, but also provides for an increase in the number of US private contractors working in the country. According to the *New York Times* (11/10/04), while President Álvaro Uribe and his supporters welcomed the extension of US support in their 'unified' campaign against narcotics trafficking and organised 'terrorist' rebel groups, namely the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN) and the United Self-Defence Forces of Colombia (AUC), human rights organizations reiterated their concerns that further US presence would escalate the 40-year old conflict.

In 2000, with a vested interest in Colombia, the Clinton administration launched Plan Colombia—a five-year military aid package worth an estimated US \$3.3 billion. The primary focus of US involvement is the provision of training, equipment and intelligence resources for the counter-narcotics and counterinsurgency operations of the Colombian military and police. Post 9/11, the Bush administration further justified its involvement in Colombia by incorporating it into the administration's aggressive anti-terrorism campaign.

The new bill authorizes a twofold increase in US troops, bringing the total to 800, and provides for an additional 200 US civilian personnel raising the cap from 400 to 600. According to the 29 October issue of *the Latin American Report*, the State Department argued that an increase in personnel would allow for the "greater flexibility and more efficient planning" of US support. The bill reiterates that US forces and civilian contractors are prohibited from engaging in combat operations in Colombia unless they are acting in self-defence or rescuing US citizens. The legislation also demands that the Defence and State Departments as well as the Central Intelligence Agency submit an unclassified report to Congress highlighting any relationships between Colombian-based organisations and foreign governments and groups that are defined as terrorists by the United States.

These tendencies, which reveal the presence of political parties, occur in parallel with the destabilization and rejection of these parties. On one hand, there is a trend toward alliance building between different parties and the combination of candidate lists during elections, especially at the local level. To date, 52 mayors and seven prefects have been elected in this manner. However, the majority of these alliances do not follow patterns; rather, alliances are often based on public recognition of certain individuals rather than on party affinities. On the other hand, an increasing number of "political movements" have emerged throughout the country—currently, there are more than 200 of these groups.

A new phenomenon for Ecuador is the importance given to the re-election of mayors, prefects and other local representatives. Historically, Ecuador experienced a very high rotation of elected officials, but in this instance, almost half of the prefects (10) and more than one third of the mayors (83) have been re-elected. First, this reveals the relevance that has been accorded to local level administration. In response to the trust and performance crises of the central government, the electorate agrees now with the importance of local and intermediate administrations that in some cases yield better urban planning and public services. The processes of decentralization have increased the fiscal revenues of local and regional governments, which permit the realization of more activities. Second, in contrast with the past, parties see the importance of the local elections for constructing a firm electoral base. It is the leading party of the right, the PSC that has

invested in this level of government over time. Taking advantage of its presence in the Congress, it has generated added points of pressure on government officials so that the local governments under its power have access to more fiscal revenues. The subsequent successes of incumbent officials from their party has enabled the PSC to maintain voter support in national elections, and—as in the Colombian case—to have local *caciques* that will have broad control at the local level in the long-run.

Due to the distinctive nature of the mid-term elections and presidential political campaigns, these elections permitted various issues at the local level to acquire greater salience. In this sense, they show the importance of the norms of the electoral game. The current limitation of electoral spending, in effect, has levelled the playing field, preventing the more affluent from using television for propaganda. This facilitates the creation of more equitable and competitive conditions for election campaigns, which favour those who have fewer resources. It also serves to prevent the use of television as a medium of misinformation. The candidates have sought other means to disseminate information. Citizens, in turn, are trying to become better informed. This

### For Access to Information in Argentina

Argentine civil society is fighting to keep a bill on access to public information alive. Stuck in Congress for more than 17 months, there are 35 days left before this initiative loses its parliamentary status and is therefore dropped. The bill was passed by the Lower House in May 2003 and has since been on hold in the Senate. The bill was the result of the joint effort on the part of a wide range of social actors including media owners, journalists, NGOs, and representatives of multilateral institutions such as the Rapporteur for Freedom of Expression of the Organization of American States.

Civil society is now rallying to have the access to information bill dealt with by the Senate as soon as possible. The Inter-American Democracy Network—headquartered in Argentina—has launched a letter-writing campaign to enlist the support of civil society organizations from across the continent. The campaign, titled “America for the Sanction of the Access to Information Law in Argentina” (*América por la sanción de la ley de acceso a la información en Argentina*), is also being driven by the Citizen Power Foundation (Fundación *Poder Ciudadano*), the Argentine chapter of Transparency International which had a pivotal role in drafting the bill.

Organizers are asking civil society organizations to send letters to Argentine Senators, urging them to pass a bill that is “imperative for the proper functioning of representative democracy” by making it possible for citizens to monitor the actions of the government. More information can be found at: <http://www.redinter.org/Noticias/Novedades-de-la-SERID/21106>.

context has encouraged candidates to get closer to the electorate and also to bridge the gap that previously existed between them. The mass media, first radio, then newspapers and finally television have modified their practices in recognition of the need to open their spaces in a systematic way to all candidates. The triple phenomenon of democratization, the opening of the media, and the greater equity in competition has favoured better information for making decisions. Media enterprises and wealthy politicians are vehemently opposed to these limitations of electoral expenditures, but it is democracy that wins. ■

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### Preventive Diplomacy at Work: Safeguarding Democracy in Nicaragua

Claudia Paguaga

Responding to a request by the government of Nicaragua and the other members of the Central American Integration System (SICA), the Permanent Council of the Organization of American States (OAS) agreed during an October 17, 2004 special session to send a high-level delegation to investigate the current political situation in Nicaragua. Central American presidents and Nicaraguans perceive this situation as a threat to the democratic order of the country.

#### A few facts

The political crisis in Nicaragua began after the Comptroller's Office issued a resolution on October 7, 2004 requesting that the National Assembly impeach President Enrique Bolaños for failing to cooperate with investigations into the 2001 election campaign finances. According to a Comptroller's Office audit, approximately US\$7 million spent during President Bolaños' 2001

presidential campaign are unaccounted for (Miami Herald, 19/10/04).

On October 18, 2004, before his cabinet, top military and police officials, members of the diplomatic community and hundreds of supporters, President Bolaños provided details about his election spending. This was the first time in Nicaragua's history that an elected president stood before the nation in a live broadcast to explain the origins of presidential campaign finances, thereby setting a precedent for future presidential candidates.

In the hour-long address President Bolaños provided documents to support his claim that his campaign was financed by private funds, and not state funds, as alleged by the Comptroller's Office and his opposition. President Bolaños explained that the Constitutionalist Liberal Party (PLC)—the party that supported his presidency and whose leader is former President Arnoldo Alemán (1997-2002), who was sentenced to 20 years in prison in December 2003 for fraud, embezzlement, criminal association and misappropriation of public funds as part of President Bolaños' anti-corruption crusade—managed 19 accounts of more than US\$32 million for its candidates. According to President Bolaños, eight of these accounts were used to finance the campaigns of deputies and he denies knowing the origins or handling of these funds. The remaining 11 accounts were distributed as such: four accounts were used for promotion prior to the official campaign (March 1 to August 17, 2001), three were used for activities during the presidential campaign (August 18 to November 9, 2001) and the four additional accounts, including an account in the Grand Cayman Islands, were opened for private donations from supporters in the United States as well as in Nicaragua. President Bolaños emphasized that these funds came from individual supporters, not the state, and he provided a partial list of donors, which included businessmen Carlos Pellas and Harry Brauthigam, the current president of the Central American Integration Bank (BCIE).

Nevertheless, this is the first time that President Bolaños has publicly revealed the origins of his campaign finances. According to the Comptroller's Office, here lies a potential electoral crime, as electoral laws require that all campaign finances be accounted at the conclusion of the election. Consequently, for this alleged offence the Comptroller's Office fined President Bolaños two-months salary and requested the National Assembly remove President Bolaños' immunity so that he could be tried. Nicaragua's political constitution does not stipulate a procedure for impeaching the president, nor does it grant the National Assembly the authority to carry out this procedure. The constitution specifies that a president can only be dismissed for incompetence, something that the OAS delegation invalidated in this case.

### Support from the International Community

Given the complexity of the situation, the permanent representatives to the OAS of the SICA member countries convened a special session of the Permanent Council. Nicaragua's Ambassador to the OAS, Carmen Marina Gutiérrez, emphasized the importance of preventive diplomacy and requested an official OAS visit to Nicaragua, citing Article 17 of Chapter IV ("Strengthening and Preservation of Democratic Institutions") of the OAS Democratic Charter. As a result, the Permanent Council appointed Luigi R.

Einaudi, Acting OAS Secretary General, and Panamanian Ambassador Aristide Royo, Chair of the Permanent Council, to lead a two-day visit to Nicaragua.

The OAS delegation arrived in Managua on October 18 and met with President Bolaños, the Comptroller's Office, the Supreme Court, the National Assembly, political parties, civic groups and the Church. Ambassador Royo and Acting Secretary General Einaudi concluded that the democratic order in Nicaragua would not be arbitrarily interrupted. Both officials explained that the lack of political support for President Bolaños, particularly within the National Assembly (comprised of 92 seats of which only nine support the president), were grounds for the President's preoccupation, but they cautioned that the OAS would continue on the alert, cognizant that any setback to Nicaraguan democracy represents a setback for the hemisphere.

Furthermore, Washington's Ambassador to Managua, Barbara Moore, warned that a dismissal of President Bolaños would disrupt economic assistance, including the Millennium Challenge Account, which is contingent upon good governance and democracy. Ambassador Moore asked the individuals behind this "scheme"—commonly identified as the leaders of the opposition, former President Daniel Ortega (1985-1990) of the Sandinist National Liberation Front (FSLN), and former President Arnoldo Alemán of the PLC—to let President Bolaños carry out his job and concentrate on the common good of the country, rather than on partisan differences which lead the country nowhere (Noticias Univisión, 19/10/04).

### What's next?

Following the upcoming municipal elections on November 7, 2004 a special commission will be created by the National Assembly to investigate the Comptroller's request for President Bolaños' dismissal—though no criminal accusations have officially been made. On October 22, 2004, Ambassador Royo presented a preliminary report on the Nicaraguan mission to the Permanent Council. His recommendations included the coordination of a national dialogue to ease the atmosphere of tension that exists among the

Nicaraguan political class, provoked by the Comptroller General's impeachment request. The national dialogue would include the political, economic and social sectors in Nicaragua, as well as national and international organizations interested in the preservation and consolidation of democracy (La Prensa de Nicaragua, 23/10/04). President Bolaños and other political leaders in the country welcomed this initiative, underscoring that the OAS, despite the recent resignation of the Secretary General, Costa Rica's Miguel Ángel Rodríguez, still has the strength to take action quickly and safeguard democracy in countries like Nicaragua. ■

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### Corruption Perceptions Index 2004

Every year for the last ten years Transparency International has issued its Corruption Perceptions Index. The index, which now covers 146 countries, is increasingly viewed by observers as one of the most accurate measures of a continuing problem plaguing much of the world. Studies indicate that perceptions of corruption can have a major impact on the development potential of countries, principally through their reduced ability to attract long-term productive foreign investment. Donor governments are also increasingly linking official development assistance to issues of corruption.

In the 2004 index, 24 countries of the Americas found a place in the rankings. The bad news is that the places are not where they should be. A "score" of three or less indicates a state of rampant corruption—a designation given to 7 countries in the Americas: Dominican Republic, Nicaragua, Argentina, Honduras, Venezuela and Guatemala. The seventh, tied for dead last with Bangladesh, was Haiti.

Transparency International reports that short-term improvements have been recorded for El Salvador, Uruguay and Costa Rica, while long-term improvements have been seen in Mexico and Colombia. Unfortunately, there have been short-term deteriorations registered by Belize, Jamaica and Trinidad and Tobago. This year Transparency International focused the spotlight on poverty-ridden, oil-rich countries, concluding that "corruption robs countries of their potential". Among the countries so singled out were Ecuador and Venezuela.

On the positive side, Canada ranked 12<sup>th</sup> while the US came in at 17<sup>th</sup> place overall, followed very closely by Chile at 20<sup>th</sup> and Barbados at 21<sup>st</sup>. Uruguay came next at 28<sup>th</sup>, rounding out the top five ranked countries in the Americas. For the full listing, see: <http://www.transparency.org/cpi/2004/>

## Editorial

### Selecting a New OAS Secretary General

Donald R. Mackay

Whatever else the future has in store for him, Miguel Ángel Rodríguez will carry the distinction of having been the shortest-lived Secretary General to preside over the Organization of American States (OAS). Rodríguez resigned the post that he had been sworn into only a month before in order to return to his native Costa Rica and to answer charges of corruption that were alleged to have taken place during his term as President. But that is another story.

The Rodríguez resignation opens anew the search for a successor to Colombia's César Gaviria who headed the OAS for the last decade. Speculation on this front started within days of the announcement by Rodríguez that he would be stepping down. Central America, which had long wanted the position and in many ways felt—for some reason—that they were so owed, was quick off the mark to lay claim to the post filled in the interim by Luigi Einaudi, the Assistant Secretary General. The Central American presidents have garnered the support of Colombia and Mexico, both of whom have pledged to support an unnamed candidate. The OAS deserves better than a blind reflex based on regional loyalty.

On the day that he assumed office, Rodríguez announced a major reorganization of the OAS (FOCAL POINT Editorial, September 2004). In a nutshell, too much of the OAS budget goes to pay staff salaries and other fixed costs while at the same time, too many of the countries are failing to pay their quotas. Argentina, which will be hosting the next Summit of the Americas in 2005 is some three years and US\$7 million in arrears. Observers, at least the more optimistic, concluded that in the cost-cutting reorganization, Rodríguez had sought to address the deficiencies of "his own house" leaving the deficiencies of the member states for a second, and future, round.

### So whom should we look to for a replacement?

First, a new Secretary General will have to carry forward the changes instituted by Rodríguez, including the presumed second phase. This second phase will be a bitter but necessary pill for many of the member states to swallow. However, no candidate should accept the post without securing the agreement of the countries for a major reform of the OAS quota system, including the possibility that quotas will have to be increased. He or she will also need to secure from the countries some realistic priorities for an organization that is engaged on far too many fronts.

Second, the new person will have to understand that democracy is slipping in the region. Polls by *Latinobarómetro* and in depth surveys by the United Nations Development Program (UNDP) are stark in their findings. They conclude that citizens in many countries are losing their affiliation to democratic governance in the mistaken belief that more authoritarian governments (whether of the left or right) are better situated to deliver the levels of economic growth necessary to address poverty and unemployment.

Third, a Secretary General will need the diplomatic skills and institutional “gravitas” to leverage non-OAS resources for OAS priorities in the current environment. Gaviria, and his team, were highly successful in attracting significant money from outside the Americas, particularly from the Europeans, the Japanese and the South Koreans. These sources funded much of the concrete activities such as election monitoring and de-mining that OAS members argue is important, but do not always fully fund themselves.

Fourth, a Secretary General needs to be willing to insert him or herself into crisis situations—frequently in circumstances where the OAS member states are unable or unwilling to form a common view. Haiti remains a failed state, which could topple without much advance warning. Venezuela’s commitment to representative democracy is weak and unbridled populism could easily nudge that poverty stricken country into directions that would be outright anti-democratic.

Fifth, the next Secretary General will almost certainly (or at least as certain as this issue ever gets) face the prospect of what happens when the current 78 years old Fidel Castro steps down from Cuba’s political stage. Sometime in the next five years—maybe ten—the prospect of transition in Cuba will become real. Depending on the scope and nature of such transition, the OAS could play a critical role. One thing that is certain, is that it will have no role whatsoever unless serious consideration and thought is devoted to this issue. Absent such detailed consideration and thought, the Americas will simply have to accept whatever decisions are made by the US.

So who is in the running? Francisco Flores from El Salvador was a potential candidate last time around, but he had not quite finished what he wanted to accomplish in his own country and so, to the disappointment of the US, had demurred. Flores is young and eager and was an impressive force at the Quebec City Summit in April 2001. He has put El Salvador on the move and that is no mean feat. The trouble is that Venezuela really does not like him. Eduardo Stein, recently elected as Vice President of Guatemala, is older than

Flores but has a solid grasp of the challenges confronting the Americas. Maybe the post of Secretary General would be sufficiently attractive to entice him to resign his current post. Óscar Arias, another Costa Rican who desperately wanted the post in 1994, suffers from the fate that time has passed him by. Other than his personal respectability, it is unclear what he would bring to the organization. Some Guatemalan diplomatic officials are floating the name of Gert Rosenthal, currently that country’s Ambassador to the United Nations. Rosenthal has a long and distinguished record of service to the hemisphere, including as the head of the United Nations Economic Commission for Latin America and the Caribbean. He has answered the call to duty many times and while he would be an excellent choice, we—the Americas collectively—should probably allow him to finally enjoy his retirement home in the beautiful city of Antigua, Guatemala.

A name not frequently raised is that of Jorge Quiroga, the former President of Bolivia. Quiroga is youthful and highly impressive in thinking and leadership abilities. He is not Central American, but geography is a questionable qualification for most positions of any consequence. Since leaving office, Quiroga has been spending a lot of time at the Woodrow Wilson Center thinking and writing about many of the key challenges facing the Americas. He is personable, trained as an engineer and delivers a good speech. In person, he gives the impression that charming money from a finance minister would be a minor trick. Team Quiroga with a well qualified Canadian for the post of Assistant Secretary General (more on that in the future) and we might just wind up with the sort of person that the OAS needs. ■

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Donald R. Mackay is the Executive Director of FOCAL.



## Op-Ed

## Keep the Summit the Leading Edge of the New OAS

Robin L. Rosenberg

Crisis is nothing new at the Organization of American States (OAS), the world's oldest regional organization, and the Western Hemisphere's embodiment of multilateralism. But the recent events surrounding the September transition from two-term incumbent Secretary General, César Gaviria, to Miguel Ángel Rodríguez, the former Costa Rican president who was forced to resign from the job in his first few weeks to face corruption charges in Costa Rica, puts the OAS at a particularly vulnerable crossroads: a vacuum of executive leadership; major bureaucratic restructuring and budget cutbacks, and an overarching crisis in multilateralism in the region and the world.

Before Rodríguez left to face the music in his country, he had already executed major reform of the bureaucratic structures to address the OAS budget deficit by cutting some senior staff, demoting others, and restructuring the general secretariat. The pros and cons of this overall restructuring already have been covered expertly in these pages by FOCAL's John Graham, a former OAS official (FOCAL POINT, Sept 2004). One of the main lessons that can be drawn from Graham's analysis is that, if only member countries paid their fair share of financial quotas, and paid them on time, major surgery may have been avoided in favour of a less radical shake-up of staff morale.

OAS survival, even in its present leaner and meaner form, is uncertain over the longer term. The OAS also confronts a non-fiscal crisis in which it may risk losing the forest for the trees. The OAS had already undergone significant reform under Gaviria. As inter-American relations improved after the end of the Cold War, Gaviria seized the opportunity to revive the OAS at a time of policy convergence based on shared values. The first Bush administration signalled this with the 1991 Enterprise for the Americas Initiative, which envisioned a free-trade zone from Alaska to Patagonia. This vision was formalized at the 1994 Miami Summit of the Americas. The centrepiece was the agreement to negotiate a Free Trade Area of the Americas by 2005. Gaviria grasped that the Summit process, with its broad political and social agenda, and its powerful economic integration centrepiece, could rejuvenate the OAS and trigger modernization.

The creation in 1995 of the OAS Trade Unit was the first major embrace of summitry. The trade unit has allowed the OAS to champion the FTAA. The Unit for Sustainable Development and the Environment (which implemented initiatives from the 1996 Summit on Sustainable Development) and the Unit for the Promotion of Democracy (which husbanded the Inter-American Democratic Charter) were equally effective in their fields. The OAS also housed the summit-mandated Special Rapporteur for Freedom of Expression. At the core of its integration with summitry is the establishment of the OAS

Secretariat for the Summit Process, the "institutional memory" of the summit and its de facto secretariat.

But the post-9/11 strategic context has marked disengagement by the only remaining superpower, as US attention is drawn to its global "war" on terrorism. U.S. priorities are largely perceived to diverge from those of its OAS partners, and the unilateralism symbolized most visibly by the Iraq war has extended to the Americas—where security concerns have trumped US engagement in initiatives for which it was strongly identified in the Summit Process: promoting democracy, economic integration, poverty alleviation and sustainable development. The region's largest countries, Brazil and Mexico, opposed the war in Iraq. With support from only a few small countries in the region, the US invasion and occupation of Iraq was largely viewed by Latin America and the Caribbean as a reminder of the historical problem that has always hampered the OAS as an institution: the asymmetry of US power in the region. The Iraq war reawakened fears of unbridled unilateralism—the precise opposite of the promise of Summitry, which represents the highest form of multilateralism in inter-American relations.

On the surface, the restructuring seems to demote the Summit structures and mechanisms integrated into the OAS by downgrading unit directors and creating a layer of bureaucracy between the Secretary General (SG) and Summit-mandated posts. For example, critics point to the possibility that the Special Rapporteur's independence would be threatened by the restructuring; still others lament the fact that such leading edge and robust units as the Unit for the Promotion of Democracy have now been renamed and their heads have lost direct access to the SG.

There was criticism also about the lack of transparency in the restructuring (the plan was implemented without staff consultation in the first few days of the short-lived Rodríguez tenure), and that "soft targets" were hit instead of tackling the tougher issues such as the costs of OAS missions in member countries, and the member state financial quota system itself. But perhaps

the most important questions involve the very basic tenets of strategic planning: Does the new OAS structure respond to the pressing needs of the region, and does it harness the power of the US to keep up the momentum of the Summit of the Americas process, the most promising form of multilateralism in the Western Hemisphere whose next *cita* is in Buenos Aires in 2005? ■

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## Abstract

### The Canada-Mexico Relationship: The Unfinished Highway

By Olga Abizaid Bucio

This paper sets out to illustrate the nature of the Canada-Mexico bilateral relationship and to identify some of the potential areas for mutual cooperation. In the remarkably short span of the last ten years, Canada and Mexico have developed a more dynamic and mature relationship based on frequent exchanges within ad hoc working groups and informal exchanges that cover a broad range of economic, political and social issues, including human rights, elections, good governance, federalism, and trade; all of them priority areas for Canada's foreign policy.

Available at: [http://www.focal.ca/images/pdf/canada\\_mexico04.pdf](http://www.focal.ca/images/pdf/canada_mexico04.pdf)

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

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