

HEMISPHERE HIGHLIGHTS

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Upcoming Events

Friday, May 8

10:00a.m. - 11:30a.m.

Cuba Outlook Series 5:
"Social Factors in
Cuba"

Monday, May 11

2:30p.m. - 4:30p.m.

"A Smart Power Approach to
the United Na-
tions"

Friday, May 22

10:00a.m. - 11:30a.m.

"Outlook for Venezuela's
Economy: 2009 and
Beyond"

Headlines

The Fifth **Summit of the Americas** conference takes place in Port of Spain, Trinidad & Tobago. **Canada** announces it will create a Canadian International Center for the Arctic Region in Norway to strengthen its voice on Arctic issues in Europe. **Mexico** struggles with a virulent outbreak of influenza as the international community collaborates to respond. International donors increase support for **Haiti**. **Venezuela** and its allies from the Bolivarian Alternative for the Americas announce the creation of a new joint currency, and the government replaces two key municipal opposition leaders with Chávez loyalists. **Ecuador** seeks to respond to an increasing problem with unemployment resulting from the global financial crisis. Paternity claims against the president of **Paraguay**, a former Catholic bishop, lead to controversy. Political positioning continues in **Argentina** in anticipation of the June 28 congressional elections.

Regional

The fifth Summit of the Americas held in Port of Spain, Trinidad & Tobago on April 17-19 proved to be a moderate success. Predictions of an event disrupted by boycotts by some countries or street protests aimed at embarrassing the United States like those that took place at the previous summit in Mar del Plata in 2005 did not materialize. Nor was there a display of friction between Venezuelan leader Hugo Chávez and his ALBA (Bolivarian Alternative for the Americas) partners and President Barack Obama. The unscheduled but clearly expected inclusion of Cuba as a topic of discussion among heads of state captured large-scale media attention but by no means monopolized the event itself. In terms of content, the summit produced a 97-point "Declaration of Commitment" that had been negotiated over many months preceding the meeting in Port of Spain that was signed by Prime Minister Manning of Trinidad & Tobago on behalf of heads of state/government at the summit. The ALBA partners, meeting in Venezuela on the eve of the summit, proclaimed the Declaration of Commitment to be "insufficient and unacceptable" and stated that "there is not enough consensus to approve it" but on the other hand had joined consensus in the negotiated document sent to the summit (except for a Bolivian footnote objecting to language encouraging the development of biofuels) and reportedly made no objection to the decision that prime minister Manning would sign for all at the summit itself. At any rate, the Organization of American States considers the declaration as an approved consensus document upon which it will act. The declaration covers a lot of ground, ranging from broad statements of support for poverty reduction and reducing social inequality to specific action mandates in areas such as disaster response, environmental sustainability, public security, and energy cooperation. It called for a meeting of finance ministers in 2010 and for a continuation of the summit process with summits taking place "on a regular basis and no less than every three years." Importantly, the declaration stated that members "renew our commitment to... strengthen demo-

Recent Events

Monday, April 6

3:00p.m. - 4:00p.m.

Lawrence Cannon, Foreign Minister of Canada, speaks on "Canada's Arctic Policy"

Tuesday, April 7

9:00a.m. - 12:30p.m.

An Agenda for the Americas
A Colloquium on ways to Energize U.S.-Hemispheric Relations while Enhancing Regional security

Wednesday, April 22

9:30a.m. - 10:30a.m.

Dr. María Neira, Director of the Department of Public Health and the Environment, World Health Organization

Wednesday, April 29

2:00p.m. - 4:00p.m.

Access to Justice: Lessons From Civil Rights Experiences in Brazil and the United States

Thursday, April 30

3:30p.m. - 5:00p.m.

The Summit of the Americas Process: Port of Spain and Beyond

cratic governance in the Americas and... uphold the principals of and fully implement the Inter-American Democratic Charter." *The Summit of the Americas process is often unfairly written off as a mere public relations event held every few years. This fails to take into account the important achievements of the process—such as the Democratic Charter itself or international treaties such as the CIFTA agreement against arms trafficking or the Inter-American Anti-Corruption Convention. Nor is there sufficient recognition of the follow-up performed by a host of working groups in implementing mandates. In this regard, the summit process could be strengthened by further empowering the OAS, both institutionally and with greater funding by member states. The summit process provides mandates but not commensurate funding for their full accomplishment.* **Peter DeShazo**

North America

Canada

Canadian foreign minister Lawrence Cannon met this month with the foreign ministers of Denmark, Finland, Iceland, Norway, Sweden, Russia, and the United States for the sixth Arctic Council ministerial meeting, held in Troms, Norway on April 29. Reiterating Canada's dedication and determination in taking a leadership role on arctic issues, Cannon announced at the meeting the establishment of a Canadian International Center for the Arctic Region to be located in Oslo, Norway. The purpose of this research center will be to "promote Canadian interests, influence key partners and better understand emerging issues." It will also allow Canada to maintain close contact with the Arctic Council secretariat (also located in Norway), and with the European nations. The conference, which included a presentation by former U.S. vice president Al Gore, was the sixth meeting of the Arctic Council, a scientific, consensus-based, intergovernmental forum that meets every two years to promote environmental, social and economic sustainable development in the Arctic region. At the conclusion of the conference the participants signed a declaration that will guide the work of the Council over the next two years. The document included a heavy emphasis on environment-related issues including climate change, marine shipping safety standards, best practices in marine ecosystems management, and the impact of transboundary pollution on Arctic populations. *The government of Canada has been vocal in recent months on Arctic-related issues, making it clear that Arctic sovereignty is one of the Harper administration's key foreign policy priorities. Environmentalism in particular has been and will likely continue to be an important strategic focus in Canada's case for arctic sovereignty. On August 27, 2008, Prime Minister Stephen Harper announced that Canada would extend the enforcement zone of the country's Arctic Waters Pollution Prevention Act—a 1970 law that prohibits ships from dumping waste and compels them to notify Canadian authorities in the case of an oil spill—from 100 nautical miles to 200, and it also announced new regulation under the Canada Shipping Act to require mandatory reporting for all ships destined to Canada's arctic waters within the same 200 nautical mile limit. Though Canada and the United States are at odds over access to northern trade shipping routes, environmental protection is an area in which the two countries are in agreement, as mentioned by Minister Cannon in comments following a meeting with Secretary of State Hillary Clinton on April 6. In the highly vulnerable arctic ecosystem, environmental threats have an easily demonstrable impact on the security and economic welfare of Canada's northern populations, making environmental policy less politically volatile than the debates surrounding shipping or resource access. Canada, Russia, the United States, and several other arctic states are currently in the process of conducting underwater geological surveys to support their respective bids for international recognition of sovereignty over the arctic seabed. The arctic region is believed by many experts to contain up to 25 percent of the world's undiscovered oil and natural gas reserves.* **Jessica Horwitz**

Mexico

Confirmation that an apparently new strain of H1N1 influenza had killed at least 15 people in Mexico and 1 in the United States, and had infected many more in Mexico, the United States, Canada, Israel, New Zealand, and several European countries, led the World Health Organization (WHO) to declare an imminent pandemic on Wednesday, April 29. The news sparked calls in the United States to close the U.S.-Mexico border and prompted the European Union and other governing bodies to recommend citizens avoid all non-essential travel to Mexico and the United States. The outbreak seems to have emerged in Mexico in late March and is believed to have been caused by a new variant of swine influenza. Mexican authorities are now working to determine where the first cases appeared in order to understand the origin and trajectory of the outbreak. Experts from the WHO, the U.S. Centers for Disease Control and Prevention, and Canada are assisting the Mexican government in investigating the new influenza and crafting measures to reduce its impact. Mexico now has 358 confirmed cases, and as many as 1300 suspected cases, of the new influenza. Most are concentrated in Mexico City. President Felipe Calderón has invoked emergency powers authorizing the government to take necessary steps to respond to the outbreak. Public officials have closed schools across Mexico. In the capital, public sports and cultural events have been cancelled, and restaurants have been ordered to provide take-out service only. The government has suspended all nonessential federal services over the long Labor Day and Cinco de Mayo holiday weekend, advising people to avoid large gatherings in an effort to limit transmission of the virus. *The outbreak poses many challenges for Mexico. The government is already engaged in a violent struggle with criminal organizations, including drug cartels, especially in the northern border region. And the current global financial crisis has hit Mexico hard. Beyond reducing consumer demand for Mexican products and slowing remittances from migrants living abroad, oil production is down. With parents staying home from work to care for school-aged children or because their workplaces have closed in the context of the outbreak, many families may have to forego needed earnings. Countries in the region, including Argentina, Cuba, and Ecuador, have suspended flights to Mexico, while countries around the world have recommended citizens avoid all non-essential travel to the country, bringing tourism—a major source of income—to a grinding halt. The ban on pork imports implemented by Russia, China, and Indonesia represents another challenge to the economy. The World Bank has announced that it will provide Mexico with \$205 million to control the outbreak, along with technical assistance to assess the impact of the outbreak on the Mexican economy. With extensive economic and social linkages among the countries in the Americas, it is imperative that countries' health sectors step up disease surveillance and implement preventive measures to ensure a timely response as the outbreak spreads.* Katherine E. Bliss

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Caribbean

Haiti

Haiti's transition window opened again in April as donors pledged new funds to continue support for reconstruction in the wake of four devastating hurricanes that hit the island in August 2008. The fresh infusion of cash (the United States pledged \$57 million of the \$324 million total), while only a third of what Haiti asked for, was still a major victory at a time when global economic conditions have led to a decline in remittances, which represent almost half Haiti's GDP. If a sense of hope and a new beginning permeated the events in Washington, the local elections for 12 Senate seats held April 19, were more like business as usual in a political scene marred by local violence and low voter turnout. Although official returns are not yet complete, some groups estimate that less than 10 percent of the eligible electorate participated in these elections. Some speculate that the call by followers of Fanmi Lavalas, the party of former president Jean Bertrand Aristide, to boycott this round reflects a more immediate response to the exclusion of their candidates on the ballot by the Haitian Electoral Council.

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It is more likely, however, that general voter fatigue and a pattern of nonparticipation in local elections also account for this result. *Most important, however, is the outpouring of support that the U.S. administration has shown for Haiti, including a follow-up visit by Secretary of State Hillary Clinton to Port au Prince on her way to the Summit of the Americas that also resulted in a call by the secretary to reconsider the issue of temporary protected status (TPS) for more than 30,000 Haitians currently in the deportation pipeline. A review would underscore the important connection that immigrants play in supporting their families in Haiti. If nothing else, it is clear that in the Obama administration Haiti has finally found a new set of advocates. Now the Préval government must work to hold up its end of the bargain by using this opening for building a stronger and more capable state.* **Johanna Mendelson Forman**

South America

Venezuela

Venezuelan president Hugo Chávez has announced plans for the ALBA (Bolivarian Alternative for the Americas) nations to adopt a new regional currency, the Sucre, by January of 2010, in order to reduce the economic dependence of those countries on the US dollar. The name “sucre” is both an homage to the South American independence hero, Antonio José de Sucre, and an acronym for “unique system for regional compensation” (sistema único de compensación regional). The currency will initially be electronic in nature but is intended to eventually become a hard currency. Chávez, who has denounced the global financial crisis as the end of capitalism, believes that the current environment is the perfect time to eliminate dollar reserves and replace them with the sucre, which will be backed by oil reserves. The currency will initially be adopted by the ALBA countries, consisting of Venezuela, Bolivia, Cuba, Nicaragua, Honduras, Dominica and Saint Vincent and the Grenadines. However, experts believe that other South American countries may follow suit. President Rafael Correa of Ecuador already announced on March 31 his interest in participating in a regional trade currency. The sucre will be tested in September 2009 to see if it can be fully integrated by the following January. A large amount of trade that takes place within and among Latin American countries is conducted in dollar-denominated deals and in special settlement arrangements as part of bilateral trade groupings. In general, Latin American central banks hold substantial dollar reserves. ALBA members hope to insulate themselves from the crisis by reducing their dollar dependency. *Despite potential benefits of increased trade among the Latin American nations and monetary autonomy, a number of difficulties exist in the adoption of a common ALBA currency. Dominica for example would be forced to rescind its membership in the East Caribbean Currency Union, which pegs its currency against the US dollar. The dollarization of Ecuador in 2000 was a divisive issue in the country and moving to a potentially risky currency could have precarious political implications for President Rafael Correa. Venezuela itself is notorious for artificially devaluing its own currency, which calls into question how open to fluctuation the sucre will be. President Barack Obama, Vice President Biden and Secretary of State Hillary Clinton have all recently traveled throughout Latin America to revitalize U.S. relationships with Latin American leaders that became strained under the previous administration. Despite these encouraging visits, a regional currency explicitly designed to exclude U.S. dollars could be perceived as a step backward in relations between the United States and ALBA members.* **John Mulqueen**

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The government of Venezuela has leveled corruption charges against opposition leader Manuel Rosales forcing him into exile and has appointed a new head of government of Caracas, undermining embattled opposition mayor Antonio Ledezma. On April 7, the National Assembly elevated the status of the federal district to a level similar to that of a state by creating a new administrative region known as the Capital District. The Capital District will assume administrative and budgetary responsibilities previously belonging to the four metropolitan mayors of Caracas. Venezuelan law requires the head of government to be appointed by the president while state governors are democratically elected. Hugo Chávez appointed Jacqueline Faría, a Chávez loyalist, to the post in an effort to regain political control of the city. Mayor Ledezma was outraged at the action and called it post-electoral fraud and a violation of the constitution. On April 15, Jacqueline Faría entered city hall which had not been in use since January 16 when Chávez militants occupied the building. The federal police had refused to respond to requests to remove the militants, forcing Ledezma to relocate his offices. Manuel Rosales, the mayor of Maracaibo, has been granted political asylum in Peru because he claims that the Venezuelan government is using false corruption charges in a political witch hunt. Rosales had been the mayor of Maracaibo from 1996–2000 and the governor of Zulia from 2000–2008. The charges against Rosales claim that he siphoned public funds into a foreign bank account and used state funds to purchase land during his term as governor of Zulia. Rosales was the founder of a major opposition party, Un Nuevo Tiempo. In 2006, he ran for president against Hugo Chávez as the leader of a coalition of opposition parties. *The crackdown on opposition leaders has intensified since the opposition's strong showing in the 2008 regional elections in which it won five governorships as well as the mayoralties of Caracas, Maracaibo, and Sucre. These latest moves indicate that Chávez is willing to use all of the tools in his arsenal to maintain and strengthen his grip on power.*

Thomas Cook

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Ecuador

In the month of April, Ecuador formed a plan to counter the impact of the global financial crisis on its growing unemployment. On April 8, 2009, a measure to create 80,000 jobs was announced, with a follow-up announcement on April 16 that \$200 million will be invested in the project. The announcements are part of President Rafael Correa's “national anti-crisis strategy” which includes other initiatives to augment public investment, increase the stability of microenterprises, and stimulate family incomes. The government also signed into law this month a draft to create a new social security bank, the Bank of the Ecuadorian Social Security Institute (IESS). According to a recent report released by INEC (Instituto Nacional de Estadísticas y Censos), the unemployment rate in Ecuador jumped from 7.3 percent to 8.6 percent between the last trimester of 2008 and the first trimester of 2009. Within the same period of time, underemployment increased from 48.8 percent to 51.9 percent. Growing levels of unemployment are starting to lead to increased crime rates in certain cities such as Guayaquil, Ecuador's most populous city, where the unemployment rate has climbed to 14 percent. To halt the growth in unemployment, the Ecuadorian government recently increased the target for job creation from 14,000 to 25,000 jobs. Ecuador's secretary of planning and development, René Ramírez, announced that the government wants to become the main generator of the new jobs. Ecuador also hopes to increase subsidies to low-income families from \$30 to \$35 per month and increase the country's national average salary by 8.33 percent. In the second stage of the national anti-crisis strategy, \$300 million will be used to increase the demand for labor and create an additional 50,000 jobs. *Criticism of the plan is widespread. Large-scale businesses operating in Ecuador feel that a more effective approach to combating unemployment would be to address the structural problems that exist within Ecuador's economy rather than creating more jobs through government spending. They argue that the stability of jobs in Ecuador is too dependent on the*

“Businesses operating in Ecuador feel that a more effective approach to combating unemployment would be to address the structural problems that exist within Ecuador's economy rather than creating more jobs through government spending.”

government and propose that the government focus on maintaining competitive prices throughout productive sectors, diversifying research and production, and locating new markets for Ecuadoran exports. Opposition parties in the Ecuadoran Congress have also raised doubts about the effectiveness of the creation of the IESS Bank, arguing that the rate of contributions will be very low given the unemployment problem and the global economic crisis. This resistance from both the public and private sector could make implementation of these plans difficult. **Mariele Caille**

“Since the paternity allegations, Lugo’s approval ratings have fallen slightly, and the opposition has sought to use the stories to tarnish the president’s credibility.”

Paraguay

President Fernando Lugo has had three paternity claims surface against him in the past month, alleging that he fathered several children while still officially a bishop of the Catholic Church. Two of the women have filed suits against the president, while the third has said she has no plans to do so. Lugo admitted to fathering one of the children, a boy who is now two years old, with a 26-year-old woman. He has not denied or accepted responsibility for the other two. There are rumors circulating that more claims might surface, but none have thus far appeared. Lugo resigned as bishop of Paraguay’s central San Pedro Province in 2004 after administering there for 10 years. Pope Benedict XVI only accepted the resignation, however, weeks before his inauguration as president in August 2008, thus relieving the chastity vows. The birth of Lugo’s son took place during the time between when his resignation was submitted and when it was accepted. *The revelations present a potentially serious challenge for President Lugo. He ran a campaign based on the moral image he earned while acquiring the reputation of “bishop of the poor” in San Pedro and on his contrast with the corrupt and stagnant Colorado Party, which had ruled the country for 61 uninterrupted years. Since his election he has struggled to implement much of his reformist agenda, which has faced strong opposition from the Colorados, who still enjoy a majority in Congress. Since the paternity allegations, Lugo’s approval ratings have fallen slightly, and the opposition has sought to use the stories to tarnish the president’s credibility. There has not been an outcry for Lugo’s impeachment or removal, however, and some analysts believe that the revelations may enhance the president’s reputation in a culture where virility is highly valued. The greater danger for Lugo may be an increased political stalemate that could delay the passage of needed legislation on issues such as combating rural poverty and renegotiating the Itaipú Treaty with Brazil. With the next elections not due for another four years, Paraguay can ill afford to suffer such gridlock.* **Matt Potter**

Argentina

Former president Néstor Kirchner has managed to convert, in the eyes of public opinion, the June 28 congressional elections into a sort of plebiscite of his and his wife’s administrations. Moreover, he has asked governors, mayors and members of his cabinet to become candidates for seats in Congress, provincial legislatures and even city councils. These candidacies are dubbed “testimonial” candidacies because, in the overwhelming majority of cases, these officials will be elected (they will head lists in a country that applies a proportional representation system) but have announced that they will resign their seats in favor of other, less prominent, candidates in order to continue to occupy their present positions. Finally, by hinting that he will appear in first or second place in the Frente Justicialista para la Victoria’s ticket in the province of Buenos Aires, the most populous district in the country, Kirchner has been able to reduce to that territory the battlefield where the plebiscite will be decided. Daniel Scioli, governor of Buenos Aires and one of the most popular politicians today, will be in his list in either of the two first places. Pro-Kirchner spokespersons have explained this pseudo-plebi-

scite and the testimonial candidacies as necessary to obtain the maximum public support for the administration at a time when it has to face the consequences of the international economic crisis. The opposition has derided the two propositions as misleading the electorate and a major blow to the credibility of the country's institutions. *Whatever the view anyone may have from a philosophical or a legal vantage point, in purely political terms it is a risky path that may still work. With the Partido Justicialista fractured into kirchneristas and antikirchneristas, the number of seats that will be obtained by the latter together with other opposition forces will probably result in the administration's loss of control of the Chamber of Deputies and, possibly, of the Senate. In any normal, mid-term election, such a result would be considered defeat. By changing the political nature of the confrontation, Kirchner might still be able to portray the result as a victory if his list obtains more votes than any other in the province of Buenos Aires.* **Carlos M. Regúnaga**

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Contributing Authors

Peter DeShazo
Director, Americas Program

Carlos M. Regúnaga
Director, Argentina Office

Thomas Cook
Intern-Scholar

Katherine E. Bliss
Deputy Director and Senior Fellow

Jessica Horwitz
Program Coordinator

John Mulqueen
Intern-Scholar

Johanna Mendelson Forman
Senior Associate

Mariel Caille
Intern-Scholar

Matt Potter
Intern-Scholar

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