

Up close

Honduras: Zelaya's Return and the OAS

On May 3 an appeals court announced that it had dropped fraud and corruption charges against former Honduran president José Manuel “Mel” Zelaya, which could facilitate his return from exile in the Dominican Republic. Members of the Honduran Army ushered him out on June 28, 2009, after he refused to abide by a Supreme Court order to cancel a nonbinding referendum that it had deemed illegal. Opponents suspected he would use it to leverage a second term for himself in office.

While many governments, including the United States, restored ties soon after the crisis, the Organization of American States suspended Honduras in part for what it viewed as a coup, and for forcibly expatriating Zelaya, itself prohibited by the constitution. OAS secretary general Insulza has suggested that consultations with OAS members on the country's readmission could begin upon Zelaya's return. Ending the suspension would permit Honduras to once again participate in the full range of OAS activities and deliberations.

CSIS senior associate Howard Wiarda and intern scholar Hilary Collins argue in their upcoming CSIS study “Constitutional Coups—Military Interventions in Latin America” that what happened in Honduras was not well understood by the international community. In fact, a Congressional Research Service study released in August 2009 determined that Zelaya's ouster was constitutional, while his subsequent treatment—i.e., expatriation—was not. Events in Honduras and the subsequent international reaction contrast with the muted response when Nicaraguan president Daniel Ortega quietly engineered his continuation in office in October 2009, although consecutive terms are banned

under the constitution. Such a change would normally require approval by two-thirds of the National Assembly members where he lacked the votes. Instead, he called on partisan supporters in the Supreme Court to invalidate the prohibition. —Stephen Johnson

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NORTH AMERICA

Bin Laden's Demise: A Reset for Hemispheric Relations?

At first blush, reactions over the end of Osama bin Laden's terrorist leadership seemed to have closed a period of unease in Latin America. From Peru, where President Alan Garcia suggested that bin Laden's departure might have been the first miracle performed by the newly beatified Pope John Paul II, to the headlines in Argentina, where the daily *Clarín* hailed the demise of the world's most sought-after terrorist, to Colombia, where President Santos noted the importance of this blow against global terrorism, there was support for U.S. actions. Mexico, a country that lost many of its own citizens in the 9/11 attacks, noted the death could

“end the curse of terrorism.” Only Venezuela reported the attack and expressed skepticism about whether the United States had proven that bin Laden was actually linked to the 9/11 attacks. While Brazil’s government stated that Middle East tensions might ease, Foreign Minister Antonio Patriota suggested that bin Laden’s death could also increase violence in the short run.

After 9/11, many Latin American countries saw the U.S. war on terror as a policy that negatively impacted the North-South relationship. Regional leaders complained of neglect while the United States focused on Central Asia. Many Latin American states did not support the U.S. resolution at the UN Security Council in 2003 to invade Iraq. Now bin Laden’s end may partly vindicate George W. Bush among those who criticize his counter-terrorism policies. Turning this corner could also open a path for improved U.S.-Latin American relations, allowing space for the vision of cooperation and partnership that President Obama articulated at the 2009 Summit of the Americas.

—**Johanna Mendelson Forman**

Canada



Canadian prime minister
Stephen Harper

After Canada’s Conservative Party government lost a no-confidence vote in the House of Commons on March 25, Prime Minister Stephen Harper called elections for May 2. The result changed the political

landscape, resulting in stronger backing for Conservatives and a profound defeat for the Liberal Party and the separatist Bloc Québécois. In all, the Conservatives gained 23 seats for a total of 167 in Parliament, more than enough to give them a majority government. The New Democratic Party tripled its representation to become the official opposition with 102 seats, while the Liberals took third place with 34, and the Québécois all but disappeared with four seats in preliminary results.

In the run-up to the vote, Harper described the choice as one “between stable national government and a reckless coalition; between a low-tax plan for growth and a high-tax agenda that will stall our recovery, kill jobs and set families back.” Apparently enough voters agreed. And even if the Liberals and New Democrats merged, they

would be several votes short of challenging the Conservatives. —**Stephen Johnson**

Mexico

Three hundred bodies were unearthed in two mass burial sites discovered in San Fernando, Tamaulipas state, and Durango state last month. Authorities believe those in Tamaulipas were passengers traveling by bus to the U.S.-Mexico border and were attacked by the Zetas drug cartel. Officials have not yet identified the bodies in Durango. Tamaulipas has become a major focus of President Felipe Calderon’s efforts to bolster security. The corpses of 72 Central American migrants were found there last summer. Since the most recent discovery, 74 persons have been arrested in connection with the murders, including 16 officers in San Fernando’s municipal police force suspected of protecting the perpetrators.

Brazen attacks on innocent travelers offset government claims that killings have been limited to cartel members and underscore the challenge of imposing order in areas where police and courts are weak. Meanwhile, Mexico’s congress debates two important bills to overhaul security. The first would strengthen the role of the military and allow the president to declare martial law under certain conditions. The second would replace local police with a unified federal force. While greater military involvement and centralized control might yield short-term results, they are less likely to strengthen citizen and community involvement, a call most Mexicans have yet to embrace as their own.

—**Caitlin Watson**

CARIBBEAN

Cuba

Leadership shifts and steps toward liberalizing Cuba’s statist economy characterized the first Communist Party congress in 14 years, held in Havana April 16–19. There, President Raúl Castro assumed the place of his elder brother Fidel as the party’s first secretary, while José Machado Ventura, 80, slipped into Raúl’s old number two slot. Among reforms, the state will allow Cubans to buy and sell their homes for the first time since the 1959 revolution. Until now, Cubans could only swap dwellings or pass property down through family, a system plagued by corruption. The regime will also eliminate Cuba’s monthly food rations, providing

subsidies only to the needy. Other reforms include 10-year term limits for senior party leaders, measures to expand self-employment, greater autonomy for state enterprises, and the elimination of some 500,000 government jobs.

The proposals suggest a loosening of the regime's grip on the pocketbooks and lives of ordinary Cubans, as the market will play a greater role than ever before. Cubans can already buy computers and cell phones, and nearly 100 political prisoners were freed in less than a year. However, 80-year-old Machado's appointment hardly signals new blood among the party's leadership. Moreover, the state maintains considerable control over Cuban society and media. The word "reform" remains banned in official discourse, and the party's workings remain opaque. —Caitlin Watson

SOUTH AMERICA

Makled: Venezuelan Corruption Secrets
Safe for Now

Colombian president Juan Manuel Santos extradited Venezuelan drug lord Walid Makled to Venezuela, frustrating efforts to try him in the United States. Accused of smuggling 10 tons of cocaine into the United States per month, Makled had been a key prosecution target. Moreover, Makled claimed knowledge of alleged official Venezuelan involvement in narcotics trafficking as well as Hezbollah activities in Venezuela. Justifying the decision, Santos asserted that he upheld Colombia's extradition treaty with Venezuela.

The Makled case highlights the need for serious multilateral cooperation to combat drug smuggling in the region. Since Venezuelan president Hugo Chávez broke ties with U.S. law enforcement agencies in 2005, evidence of drug trafficking in Venezuela has soared. According to the UN Office on Drugs and Crime, between 2006 and 2008, half of all ships carrying cocaine in the Atlantic Ocean and as of June 2010 41 percent of all cocaine shipments to Europe originated in Venezuela. And if Makled is tried there, the partisan justice system may prevent full disclosure of what he might know. —Jennifer Brody

Colombia

In early April, Rafael Pardo, the leader of Colombia's Liberal Party and former presidential candidate, proposed an armed "rural guard" to protect internally



displaced victims of a decades-long conflict among guerrilla groups, narco-traffickers, and paramilitary forces. The special units, would operate exclusively in rural areas, guarantee public

safety in what had become lawless regions, and facilitate restoration of land to those whose property had been taken over by rebel groups. The Liberal Party's proposal complements its Law of Victims and Land Restitution, which is currently moving through Colombia's congress.

Pardo's proposal has raised concerns about recreating Colombia's recently demobilized self-defense forces even though Pardo clarified that members would come from police units and receive special training in rural law enforcement. —Patricia Kehoe

Venezuela

In Buenos Aires on March 29 to sign agreements with President Cristina Fernández de Kirchner, Venezuelan president Hugo Chávez received the Rodolfo Walsh Prize from the Universidad de La Plata for challenging the hegemony of commercial media not just in Venezuela, but in Latin America. Chávez was cited for "defending human rights, truth and democratic values." Noted for his lengthy Sunday television shows on the government channel and frequent interruptions of nongovernment programming, Chávez launched the South American Telesur cable channel in 2006 to present programming counter to the worldview of mainstream media. Meanwhile, the Inter-American Press Association calls Chávez an "enemy of freedom of the press" for curtailing press freedoms in Venezuela. In 2005, his government enacted a code that criminalized disrespect for the president with sentences from 6 to 30 months, exempt from due process of law. In 2010, he demanded that all cable companies stop carrying a local channel that refused to broadcast his speeches. He forced the owner of one outlet into exile while taking a 20 percent stake in his operations. And his administration has halted operations of dozens radio stations and two smaller TV stations, claiming licensing discrepancies.

New legislation prohibits Internet messages that “foment anxiety in the public or disturb public order” and those that “refuse to recognize the legitimately constituted authority.”

The prize is named for the Argentine journalist who reportedly belonged to the Montoneros guerrilla movement and helped create Cuba’s Prensa Latina press agency. —Jennifer Brody

INDUSTRY UPDATES

Energy



While the Global Wind Energy Council reports that Latin America expanded wind energy generation by 50 percent in 2010, Mexico doubled its capacity for the second year in a row. The Isthmus of Tehuantepec in the state of Oaxaca hosts nearly all of the country’s wind fields, generating 508 megawatts (MW) out of 519 MW. Private companies such as Spain-based Iberdrola, Acciona, Gamesa, and Preneal were major drivers, constructing new facilities in Oaxaca and promoting plans for new plants in Baja California and Tamaulipas states. Mexico has just begun to tap its wind potential. The Asociación Mexicana de Energía Eólica estimates that, with enough investment, Oaxaca alone could produce more than 10,000 MW. However, land titling disputes, in which local landowners refuse to sell or lease sections of their property, weak transmission infrastructure, and environmental issues pose roadblocks. —**Kennon Pearre**

Manufacturing

Argentina and Brazil signed a partnership for the joint manufacture of Embraer KC-390, a medium-sized military jet tanker/transport. Brazil’s Embraer and Argentina’s Fábrica Argentina de Aviones (FAdeA) finalized the agreement in Rio de Janeiro. A prototype is scheduled to roll out in 2013 with flight trials in 2014. Unit prices are estimated at approximately \$50 billion. Besides South American customers, Portugal, France, and the Czech Republic have already expressed interest. While the arrangement helps Argentina expand its defense manufacturing capacity, it supports Brazil’s smart strategy of developing a regional customer base. —**Hilary Collins**

Upcoming events

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- May 23 — U.S. Chamber of Commerce: Americas Small Business Summit 2011, Washington, D.C.
 - May 23— CSIS: Economic forum, “Managing Abundance in Latin America to Avoid a Bust,” 10–11:30 a.m. (public invited)
 - May 24 — Inter-American Development Bank: VIII Inter-American Conference on Corporate Social Responsibility, in Asuncion, Paraguay
 - June 5 — Peru: presidential runoff elections between Ollanta Humala and Keiko Fujimori
 - June 5–7 — Organization of American States: 41st General Assembly, in El Salvador
 - June 8 — CSIS: Global Security Forum, 7:45 a.m.–2:30 p.m.
 - June 13 — CSIS: “Colombia 2020” conference with the U.S.-Colombia Business Council, 9 a.m.–3 p.m. (public invited)

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