

## HEMISPHERE HIGHLIGHTS

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## UPCOMING EVENTS

**Tuesday, December 1**  
8:30 a.m. - 3:00 p.m.Conference: "Indigenous  
Politics in the Andean  
Region: Present State and  
Future Outlook"

"THE CITIZENSHIP  
AND IMMIGRATION  
MINISTRY ARGUES  
THAT UNDER THE  
CURRENT REFUGEE  
PROGRAM, "REAL"  
VICTIMS OF PERSE-  
CUTION WHO NEED  
THE PROTECTION  
OF THE CANADIAN  
GOVERNMENT ARE  
FACING MAJOR DE-  
LAYS."

## Headlines

A backlog of immigrants seeking refugee status in **Canada** forced the Canadian government to announce new immigration reform. President Calderón dissolved the state-run electric company Luz y Fuerza, sparking political controversy in **Mexico**. Opposition groups in **Nicaragua** have mounted claims that President Ortega and the FSLN are using newly created businesses to gain economic power and control of the country. Rising crime rates in **El Salvador** influenced the legislature's decision to approve President Funes' strategic collaboration policy. Contrary to widespread opinion in **Colombia**, President Uribe is unlikely to run for a third term in 2010. **Venezuela** announced the discovery of valuable minerals that may help bolster the state's economy. **Chile** went forward with its "Salitre 2009" military exercise despite Peruvian protests. Recent violence in Rio de Janeiro has prompted concern over the city's ability to maintain security and infrastructure for the 2016 Olympic Games in **Brazil**. In **Argentina** a polemic new media law has critics fretting about the future of freedom of expression.

## NORTH AMERICA

## Canada

**On October 11, the Canadian Citizenship and Immigration Ministry announced the preparation of further refugee reforms to address a large backlog of cases in the current immigration system.** In June, the Canadian government enacted controversial visa requirements aimed at Mexican nationals seeking refugee status. This change means that Mexican nationals who want to travel to Canada would have to apply for a temporary resident visa. The visa requirements were established to slow the inflow of people, who, upon arriving on Canadian soil, could apply for refugee status regardless of their previously stated reasons for entering. Additionally, they have to prove that their visit is temporary, that they are in good health, that they have enough money for their stay in Canada, and that they do not have a criminal record. Migration officials reported that between 2005 and 2008 the number of Mexican applications for asylum tripled, and Mexicans currently represent 25 percent of all applications for refugee status filed in Canada. The Citizenship and Immigration Ministry

(continued on pg 2)

argues that under the current refugee program, “real” victims of persecution who need the protection of the Canadian government are facing major delays. According to a report from the ministry, a claim takes an average of 17 months to reach the Immigration and Refugee Board, and the backlog of refugee applications now exceeds 60,000 cases. The report also shows that the increasing volume of claimants has resulted in a substantial hike in costs to taxpayers of roughly \$30,000 a year per individual, threatening the financial stability of the refugee program. The Mexican government, along with Canadian civil society groups focused on immigrants’ rights, has criticized the recent reforms. Mexico has announced that it will consider imposing a similar travel requirement for Canadian citizens. *Citizens from 152 countries apply every year to the Canadian refugee program, including emigrants from countries such as Sweden and the United States.*

**David Angel**

## Mexico

**President Calderón issued an executive order dissolving the state-owned electric company Luz y Fuerza (LFC) on October 11.** After the dissolution, more than 1,000 federal police officers seized LFC’s properties to prevent sabotage or damage to the facilities before the Comisión Federal de Electricidad (CFE), the state’s other major electric company, is able to absorb LFC’s operations. Cracking down on monopolies that encumber business in Mexico was one of Calderón’s 2006 campaign promises, but his administration has done little until now to address the issue. The dissolution of LFC is perceived by some groups as the first step in a possible anti-monopoly campaign. Calderón argued his decision was based on

“THE DISSOLUTION OF LFC IS PERCEIVED BY SOME GROUPS AS THE FIRST STEP IN A POSSIBLE ANTI-MONOPOLY CAMPAIGN. CALDERÓN ARGUED HIS DECISION WAS BASED ON LFC’S PROVEN OPERATING AND FINANCIAL INEFFICIENCIES AND ITS GROWING BURDEN ON THE PEOPLE OF MEXICO.”

LFC’s proven operating and financial inefficiencies and its growing burden on the people of Mexico. The company receives an annual government subsidy of approximately US\$3 billion, almost equal to the amount allocated to the Mexican army, and its operating costs over the last five-year period exceeded

its sales by approximately Mex\$200 billion (US\$15 billion). The Calderón administration has cited high labor liabilities, Mex\$240 billion (US\$18.2 billion), as a crucial factor exacerbating LFC’s financial instability. Only one third of

LFC’s labor expenditure goes to active employees; the remainder is paid to retired employees who receive pensions up to 3.3 times higher than an active employee’s salary. In addition, most LFC employees are eligible to retire at the age of 50 while the average retirement age in Mexico is 65. The government also claims that LFC’s operating efficiency is drastically below industry standards. LFC has an employee-to-customer ratio that is more than 200 percent above CFE’s, and its sales per employee are only 29 percent of CFE’s. In addition, LFC loses 30 percent of its electricity through illicit connections and technical failures. LFC representatives and the Sindicato Mexicano de Electricistas (SME), the labor union that represents LFC employees, have vowed to fight the order via legal actions and have mounted protests despite a government offer to pay Mex\$20 billion (US\$1.5 billion) in severance to LFC’s 44,000 employees. *The politically powerful union has a history of poor relations with the Calderón administration, with tensions mounting in early October after the government, alleging electoral fraud, refused to recognize the validity of SME’s elections that named Martín Esparza as union head.*

*Voices from within Mexico's Catholic Church criticized the closure. Father Miguel Concha, a Mexican priest and president of the Centro de Derechos Humanos Fray Francisco de Vitoria, said that Christian faith compels the church to side with the workers, who are victims of an attack by the powerful. The closure comes as Mexico's decreasing oil production is sharply cutting government revenues and creating mounting financial pressure as the administration seeks support for its 2010 budget. The government is hopeful that LFC's closure, and the Mex\$18 billion it will free up, will curtail the tax increase needed to meet the 2010 budget, which currently faces a US\$22 billion shortfall. LFC's closure raises the question of what additional steps Mexico will take to manage its escalating budgetary pressure.* **Zachary L. Bedard**

## CENTRAL AMERICA

### Nicaragua

**A broad coalition of actors, including ex-president of the Nicaraguan Central Bank Francisco Laínez, has mounted claims that President Daniel Ortega has used several newly created businesses that have allowed President Ortega and his political party, the Sandinista National Liberation Front (FSLN), to become one of the most powerful economic actors in Nicaragua.** Following his ascension to the presidency in 2007, President Ortega moved quickly to insert Nicaragua into the Venezuelan-led ALBA (Bolivarian Alliance for the Americas) trade group, in part to obtain the discounted oil and aid Venezuela would send under the agreement. Businesses related to ALBA have taken a prominent position in several markets in Nicaragua, including petroleum imports and exports, cattle exports, and the microfinance market. Many companies created under the ALBA agreement employ relatives or close supporters of Ortega in chief executive positions; presidential adviser Francisco López serves as the treasurer of the Sandinista Front, president of the government-run Petronic petroleum company, vice-president of the private ALBANISA (involved in distribution of oil), and president of ALALINISA

(involved with luxury hotels and cattle). Also heavily involved in company operations is President Ortega's son, Rafael Ortega Murillo, who plays a crucial role in the development of many of these companies. Led by journalist Moisés Martínez of Nicaragua's La Prensa newspaper, critics maintain that President Ortega's actions have distorted the line between the presidential family, political party, and state. Furthermore, they argue that with no independent oversight of these companies, Nicaraguans are unable to trace the flow of aid received under ALBA once it enters Nicaragua. In 2008, Nicaragua's Central Bank reported that while Nicaragua received \$457 million in aid from Venezuela, all the funds were managed privately by the various ALBA companies. *Although the opposition has been able to shed some light on the numerous dealings of the ALBA-related businesses, much is still unknown about the financial actions of the businesses involved.* **Michael Graybeal**

“IN 2008, NICARAGUA'S CENTRAL BANK REPORTED THAT WHILE NICARAGUA RECEIVED \$457 MILLION IN AID FROM VENEZUELA, ALL THE FUNDS WERE MANAGED PRIVATELY BY THE VARIOUS ALBA COMPANIES.”

## El Salvador

### **Alarming crime rates encouraged El Salvador’s legislative branch to approve President Funes’ proposal to launch a new strategic collaboration between military forces and police forces.**

According to a recent statistical report issued by the National Civil Police (PNC) of El Salvador, the national homicide count for 2009, at around 3400, has already surpassed the 2008 total of 3179 deaths. Projections released by the United Nations Development Program predict that El Salvador’s homicide rates will reach 77 per 100,000 inhabitants by January 2010, a rate well over the 10 homicides per 100,000 inhabitants considered by the World Health Organization to qualify as an “epidemic.” In response to these numbers, President Mauricio Funes approved a new initiative to bolster a preexisting, though limited, collaborative effort between the PNC and the armed forces. Currently, around 1400 soldiers work alongside police forces to administer community watch groups in high crime “danger” zones, a presence the new plan will increase to 6500 soldiers. However, critics of this cooperation point to the negative effects of militarized public security during El Salvador’s civil war.

Between 1980 and 1992, public security was composed of the National Guard, National Police, and Hacienda police, with direct oversight by the armed forces. The 1992 Peace Accords established the police force as sole purveyor of public security, a move intended to remove the military from this sphere. Current debate revolves around the legality of such cooperation, as well as the extent to which the PNC will receive military support, particularly with regard to the ability to make arrests, fight gang violence, and investigate drug trafficking. Notably, the military has publicly voiced reservations against the plan, advising Funes to proceed cautiously. *Balancing the demand for immediate stops in the crime problem and the need for a systematic integration of military forces into the sphere of public security is a large challenge.* **Roxanna Vigil**

“PROJECTIONS RELEASED BY THE UNITED NATIONS DEVELOPMENT PROGRAM PREDICT THAT EL SALVADOR’S HOMICIDE RATES WILL REACH 77 PER 100,000 INHABITANTS BY JANUARY 2010, A RATE WELL OVER THE 10 HOMICIDES PER 100,000 INHABITANTS CONSIDERED BY THE WORLD HEALTH ORGANIZATION TO QUALIFY AS AN ‘EPIDEMIC.’”

## SOUTH AMERICA

### Colombia

**Contrary to a widely held impression, it is doubtful Alvaro Uribe will run for president once again in 2010.** Time seems to have run out on efforts by ardent Uribe supporters, led by Minister of Interior Valencia Cossio, to arrange a popular constitution-modifying referendum that might allow Uribe to seek election to a third term as president. It took the Colombian congress a better part of a year to pass a law authorizing the vote. Now the constitutional court has announced it will not even begin to consider the reelection issue until mid-January. It will then have two months to consider whether a referendum would be consistent with the country’s constitutional practice. It will also rule whether the steps taken to collect signatures from the public and to pass the measure through congress were legal and appropriate. The national registry has said it will need at least two months after the constitutional court rules to prepare the balloting. All this suggests that a referendum, if it is to be held, would occur right in the middle of an already cluttered electoral season with congressional election scheduled for mid-March and the presidential election in the last week of May. Although Uribe, who has never fallen below 70 percent in the polls, remains hugely popu-

lar, “winning” a referendum would take more than just getting a favorable majority.

Twenty five percent of the total number of voters at the last general election would have to participate, and that would be difficult in a stand-alone referendum. The constitution (art. 104) states that referenda cannot be held on the same day as any other election. *For more than a year the debate over a possible third presidential term has dominated political discussion. That has kept public attention tightly focused on the president and his agenda. The effect has suffocated the kind of democratic give-and-take his still-troubled country much needs. Certainly Colombia is a better place after seven years of Uribe administration. But like any administration late in its second term, Uribe’s is showing signs of wear. There are few new ideas or emerging leaders, but there are more scandals involving some of his closest advisers. A program, for example, promoted by Andrés Felipe Arias, who resigned early this year from the Ministry of Agriculture to be available as a possible Uribe successor, was supposedly designed to aid struggling poor farmers, but in fact channeled large sums to some of the country’s richest landowners. Instead of examining what has gone wrong and what might be righted in this and other matters, the Colombian congress and media have been kept busy arguing about the possibility of a third term. Some critics say Alvaro Uribe is another autocrat like Hugo Chávez across the border in Venezuela, but the Colombian has a better record of governing democratically. Yet his determination to remain on center stage in order to promote as long as he can his goal of stopping the guerrillas and gaining a free trade agreement with the United States is confusing the election process and weakening other leaders who might in fact carry forward his accomplishments.*

**Phillip McLean**

“ALTHOUGH URIBE, WHO HAS NEVER FALLEN BELOW 70 PERCENT IN THE POLLS, REMAINS HUGELY POPULAR, “WINNING” A REFERENDUM WOULD TAKE MORE THAN JUST GETTING A FAVORABLE MAJORITY.”

## Venezuela

**The government of Venezuela confirmed this month the discovery of significant deposits of coltan and other strategic minerals south of the Orinoco River in the eastern part of the country.**

The reserves were located during an aerial survey carried out with the cooperation of Iran. Rodolfo Sanz, Venezuela’s basic industries and mining minister, would not specify the size of the coltan reserve or its location, but did state that only seven countries in the world currently have reserves of coltan in sufficient quantities for export. Coltan is the metallic ore from which tantalum, a key component in many products such as cell phones and microchips, is extracted. Sanz also confirmed the existence of approximately 15,500 tons of proven gold reserves valued at US\$100 billion, which would make Venezuela the second largest gold reserve in the world behind South Africa. In addition to the coltan and gold reserves, Venezuela claims it discovered other valuable minerals including diamonds, phosphate, titanium, lead, kaolinite, and uranium. Venezuelan science and technology minister Jesse Chacón stated that Russia will provide Venezuela with the technological assistance needed to develop and manage the uranium deposits, which are to be utilized for energy production. Venezuela also recently reinforced its desire to create a civil nuclear program with Iran’s assistance.

*These discoveries come at a time when Venezuelan oil revenues have greatly declined, leaving a large budget deficit for President Chávez’s 21st Century Bolivarian Revolution.* **Zachary L. Bedard**

## Chile

**Chile revised its controversial “Salitre 2009” military exercise held October 19–30.** The exercise originally proposed a scenario in which its armed forces would simulate defense against the invasion of “Tarapacá,” a fictional country attacking from the north. In the original outline, the Salitre 2009 exercise simulated a crisis in which the Chilean Air Force, along with aircraft from Brazil, the U.S., Argentina and France, defend Chile against a military invasion across its northern border by a country refusing to abide by international treaties. The Peruvian government voiced its concern about Salitre 2009 during early October, and consequently the U.S. government responded by issuing a statement requesting that Chile clarify the objective of the drill. Following this statement from Washington, Chile announced changes to its military scenario, saying that it would not represent an invasion from the North. Instead, the new objective of the exercise will be to simulate an island conflict between two nations, a theme Chile deemed would be less politically contentious. The Chilean air force also invited Peru’s air force to join the exercise, which Peru quietly declined to do. *The controversy around Salitre 2009 underscored the lingering bilateral tension capable of flaring up in the Chile-Peru relationship.*

**Clement Carrington**

“FOR THE FIRST TIME SINCE THE RESTORATION OF DEMOCRACY IN 1990, THE RULING CENTER-LEFT CONCERTACIÓN GOVERNING COALITION APPEARS ON THE BRINK OF LOSING A PRESIDENTIAL VOTE, ALTHOUGH WITHOUT AN ABSOLUTE MAJORITY, A SECOND ROUND OF VOTING WILL TAKE PLACE BETWEEN THE TWO TOP FINISHERS IN WHAT IS ESSENTIALLY A THREE-WAY RACE.”

## Chile

Polls in Chile continue to show the candidate for president of the conservative *Alianza por Chile* opposition coalition, Sebastián Piñera, with a large lead as the December 13 elections grow closer. For the first time since the restoration of democracy in 1990, the ruling center-left *Concertación* governing coalition appears on the brink of losing a presidential vote, although without an absolute majority, a second round of voting will take place between the two top finishers in what is essentially a three-way race. Piñera’s advantage is the product of a split within the ranks of the *Concertación*, with former president Eduardo Frei, a Christian Democrat, the official candidate and a breakaway *Concertación* congressman, Marco Enríquez Ominami, running a third-party effort. Recent polls conducted by the Centro de Estudios Públicos and the Diego Portales University (UDP) show Piñera with about 31 percent of the vote, Frei in the range of 23–24 percent, and Enríquez increasing his share to about 17 percent. The more recent UDP poll has Piñera and Frei in a statistical dead heat in a second round election and the same result occurring should the runoff be between

Piñera and Enríquez. A large number of voters are still undecided and substantial numbers of young people, who nominally support Enríquez, are unregistered. As in the past, the majority of Chileans (56 percent according to the UDP poll) claim to have no party preference, with none of Chile’s individual political parties claiming even double-digit support among voters.

The key issues on voters' minds, according to the polls, are crime, health, and jobs, respectively, in order of concern. Piñera's lead and potential top finish in the first round of voting is due to the split in the *Concertación*, which in turn reflects the accumulated wear-and-tear of 20 continuous years in power. While the ruling coalition has been highly successful in consolidating democratic rule, growing the economy, and reducing poverty and current President Michelle Bachelet's popularity is high, the *Concertación*'s appeal is getting stale with a largely apolitical electorate. Enríquez, a photogenic 36-year-old former Socialist Party member, is mounting an effective third party effort focused on youth, leftist-oriented voters, and independents. This round of voting for the first time threatens to crack open the two-coalition system that has served Chilean democracy well in the past two decades.

*Peter DeShazo*

## Brazil

**Though Rio de Janeiro's winning bid to host the 2016 Olympic Games has been celebrated as recognition of Brazil's economic and social advances, recent violence has prompted concerns over the city's security and infrastructure capabilities.**

On October 17, just 15 days after the International Olympic Committee (IOC) announced Brazil's win, violence erupted between rival gangs in Rio. The inter-favela fighting culminated in damage to a school, the shooting down of a police helicopter, and the deaths of at least 17 civilians and police officers. The incident led journalists and political analysts to question Rio's ability to maintain order and safety for the games. However, Minister of Justice Tarso Genro pointed to the "much worse" 2005 London subway bombings that killed 50 people only days after the IOC announced London's win for the 2012 games as evidence that every city faces its own security dilemmas. Tarso's announcement followed a pledge by Rio governor Sergio Cabral to put 40,000 police officers on the streets by 2016. Investors, meanwhile, look positively toward the "Olympics effect," understood as a boom in key ar-

reas of infrastructure, commodities and investments, as well as in the housing market. Brazil has already pledged to invest US\$11 billion before 2016, initiating projects to renovate airports in Sao Paulo and Rio, as well as construct a high-speed rail system between the two cities. A recent study conducted by a São Paulo business school reported the Olympics and the World Cup, which Brazil will host in 2014, will inject more than US\$50 billion through 2027 and create 120,000 new jobs annually through 2016. Despite the global investment community's optimism, Rio de Janeiro, backed by the Brazilian government, still has much progress to achieve in the seven years leading up to the 2016 Olympics. Addressing underlying social issues, rather than solely expanding an already resource-poor police force, may prove a prudent strategy for improving security and protecting the credibility of Brazil's positive investment climate. *Taylor H. Jardno*

A RECENT STUDY CONDUCTED BY A SÃO PAULO BUSINESS SCHOOL REPORTED THE OLYMPICS AND THE WORLD CUP, WHICH BRAZIL WILL HOST IN 2014, WILL INJECT MORE THAN US\$50 BILLION THROUGH 2027 AND CREATE 120,000 NEW JOBS ANNUALLY THROUGH 2016.

## Argentina

**Argentina’s lame-duck Congress has passed a controversial new law regarding television media just weeks before an opposition-dominated Congress will take power.** On October 10, the pro-government majority in the Senate passed the “Audiovisual Communications Services Law” by a margin of 44 to 24 after a 20-hour debate and significant pressure from President Cristina Kirchner to approve the law before her support block loses its majority in December. Proponents of the bill in the Senate say the law is intended to replace outdated legislation passed during the last military dictatorship and will break up media monopolies and “democratize” the media. The opposition, consisting of anti-Peronist groups on the left and right as well as Kirchner opponents from within the Justicialista Party on the other hand, claims that the law is an attack on freedom of expression similar to a polemic media law passed in Venezuela earlier this year. The opposition claims that multiple articles are “openly unconstitutional,” citing specifically the limitation of the number of licenses a company can hold and the one-year time frame those with more than the limit have to disinvest. The enforcement provision for the bill has also been the target of criticism both from opponents within Argentina as well as international media advocacy groups, who claim the enforcement organ, which is almost completely under the control of the executive, is vulnerable to being politicized. President Kirchner’s assurances that enforcement would remain impartial were met with skepticism, which only increased when an opposition senator switched sides at the last second to support the bill. It appears unlikely that the law will remain long in its current form. Opposition leaders have already said that as soon as they take over the legislature in December by modifying or eliminating some of the more controversial articles. Meanwhile numerous groups who will be affected by the law are already preparing to go to court to test its constitutionality. *Timothy Stackhouse*

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