

## Current Trends in Latin America and the Caribbean

### Noref Report<sup>‡</sup>

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#### Introduction

This new issue of *Current Trends in Latin America and the Caribbean* addresses the increasing trend to create new regional institutions, such as the recently inaugurated Community of Latin American and Caribbean States (CELAC), while existing organizations like the Organization of American States (OAS) struggle to maintain their relevance.

This apparent surfeit of regional institutions hides a deeper and still not adequately addressed issue, which is the growing divergence in the international positioning of Latin American countries. It also raises the issue of how a realistic regional agenda can be created in this new environment, and at the same time it reveals the silent struggle for regional influence in the backstage of Latin American diplomacy.

These discrepancies were clearly visible during the visit of President Bashar al-Assad of Syria to Argentina, Brazil, Cuba, and Venezuela, which underscored the growing importance of Latin America's political and economic diversification, as well as the increasing interest of extra-regional countries in strengthening international links with Latin America.

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<sup>‡</sup> More information available at <http://peacebuilding.no/>.

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## **The OAS after the 40th General Assembly: can it be strengthened?**

Carlos Portales\*

The Organization of American States (OAS), still struggling to maintain its hemispheric relevance, held its 40<sup>th</sup> General Assembly in Lima (6- 8 June, 2010), during which it approved the Declaration of Lima on “Peace, Security, and Cooperation in the Americas”. The Declaration reiterates the multidimensional security concept, far removed from the diplomatic efforts of the Peruvian government to raise military expenditure in the region.

The meeting was non-confrontational and the most pressing political issue – the case of Honduras – was dealt with in the private dialogue of Heads of Delegation. The General Assembly (GA) created a High Level Commission appointed by the Secretary General that should report to the GA no later than July 30. The Commission – and the Secretary General – have been working quietly trying to find a formula for the complete fulfillment of the requirements set by to OAS to reaccept the Government of Honduras into the Organization, particularly how to handle pending judicial cases against Zelaya in domestic courts.

### **Strengthening democracy**

Democracy in the Honduras case actually illustrates how and where the OAS is able to play a role in hemispheric politics. Since the 1990s, and particularly after the 11 September 2001 Inter-American Democratic Charter (IADC), the OAS has played a role in strengthening democratic processes in the region through a number of mechanisms: enforcing the democratic clause; developing effective electoral observation systems; supporting judicial reform, and policies on drug control, anti-corruption and public security. While democratically elected governments have been enforced and electoral observation (at the request of the concerned country) have been instrumental to the legitimacy of elections, the role of the OAS in supporting other democratic institutions or in confronting issues like drug trafficking, crime and corruption has been less prominent.

Human rights is a related area where the OAS has played an even more important role. The existence of independent institutions composed of member states’ governments – the Commission and the Court- has given the Inter-American Human Rights system a powerful role and voice. In the 1970s and 1980s it was the protection against dictatorship. These days the system is widely used by individual petitioners and respected by most countries in settling concrete human rights and civil liberty abuses. In the critical case of Venezuela, the system has become an important arena for the opposition, as in the case of the owner of Globovision TV.

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Development is still on the OAS agenda but the Inter-American Council for Integral Development (IACID) is a marginal body, mainly interest to small Caribbean island states. When the Free Trade Area of the Americas (FTAA) was attempted in the 1990s, the only new grand design for Inter-American economic relations, it was not negotiated within the OAS. At the 4<sup>th</sup> Summit of the Americas this process finally collapsed in the context of the stalled Doha Round and tensions over trade policy among the governments of the hemisphere.

### **Security and conflict resolution**

Security is a diffuse issue in the OAS agenda. While the Inter-American system still retains some of the strategic features of a regional system, the attempts to modernize the security agenda in the 1990s (confidence building measures, the transparency agenda, the integration of the Inter-American Defense Board into the OAS) tend to be seen under the all-encompassing concept of multidimensional security. The OAS played a role in certain bilateral disputes (Belize-Guatemala) and in some bilateral conflicts (Colombia-Ecuador), but it has failed to create a new role in regional security matters, nor did it participate in the Defense Ministerial created under the auspices of the Summits of the Americas process. Nevertheless, OAS efforts to raise the profile and address issues of public security should be recognized.

The rather routine succession of development and security resolutions of the 40<sup>th</sup> GA can be explained by several factors. On the one hand, broad divergences arose over international economic relations (free traders v more protectionist models, or free traders v regulated free trade v protectionists) or in the security framework (hemispheric v subregionalists v new global actors). But, additionally, it should be remembered that trade and security in the US – a crucial actor in the system – do not mainly depend on State Department decisions, but on the Office of the US Trade Representative and the Defense Department. Thus, this bureaucratic red tape makes it more difficult for the OAS to play a proactive role in defence and economic issues.

The US secretary of state, Hillary Clinton, in her address to the assembly, emphasized the prospects for the OAS in the field of democracy. She spoke of refocussing the OAS towards strengthening democratic institutions, singling out electoral observation processes which have been among its most successful tasks. She also highlighted the implementation of the Inter-American Democratic Charter as an objective for the coming year. Clinton dealt with budget reform and supported a modest 3% increase in the budget. At the end of the 20<sup>th</sup> century, income from quotas to the OAS regular budget fund had been frozen. Had the OAS budget kept pace with inflation, today it would be greater than \$117 million, instead of the overall budget for 2011 which is \$90.1 million.

The most realistic approach for the coming year would be to concentrate on efforts in areas of major (although not complete) consensus within the region; as such, the Inter-American Democratic Charter represents a consensual starting point. The most opportune steps for strengthening the OAS in the near future are: to take advantage of the budget increase; to work with the US on areas controlled by the State Department, and around issues in which the OAS has proven capacity; and to capitalize on the negotiating capacity of the secretary general.

## Yet another LAC regional forum?

Jorge Heine\*

It is tempting to react to the 3 July announcement in Caracas of the launch of the Unified Forum of the Rio Group and the Community of Latin American and Caribbean States (CELAC) with scepticism, if not downright cynicism. Aren't there enough regional entities already? Why go to the trouble of creating another? Does the region really need another talk-shop?

The proof of the pudding is in the eating, and it remains to be seen whether this new entity will live up to its promise (or, indeed, to anything). In any event, a work agenda, "The Caracas Plan", was approved, aimed at hammering out joint positions in the following areas: the international financial crisis and cooperation between regional integration schemes; energy; social development, sustainable development and climate change; natural disasters; and cultural cooperation and migration. The creation of this Forum reflects underlying trends, rather than sheer voluntarism.

### Underlying trends

The first is that of intraregional political cooperation. The Rio Group took the lead in this on its creation in the late eighties, and a myriad other entities – such as the Ibero-American summits, the heads of state meetings of sub-regional entities like Mercosur, the Andean Community and the Central American Integration System (SICA), and more recently, Unasur – followed suit. For better or for worse, Latin American political leaders meet regularly to exchange views and to coordinate on some policies. Despite ideological differences, this generates considerable peer pressure "to go along so as to get along". These fora have been helpful in solving a number of crises, including the one in Bolivia in September 2008 and another between Colombia and Ecuador in 2009. They failed to do so in the Honduras crisis last year but, in defying the regional consensus, the Porfirio Lobo government there has been ostracized.

The second is greater economic self-sufficiency. This arises from the 2003-2008 commodities boom, during which the region grew at an average of 5% a year for five years in a row, its best performance in three decades. Much of this was driven by Asian demand (largely Chinese, but also from India, Japan and elsewhere), precisely at a time when the United States was distracted by the "war on terror". The net result was that a number of Latin American countries (but especially South American) discovered that they did not need to depend solely on the US and European markets for their exports and for foreign development investment. This went hand in hand with the sort of macro-economic management that made the region withstand the Great Recession of 2008-2009 much better than any other previous international financial crisis. Brazil is projected to grow at 7% this year. Argentina, which grew at more than 8% every year from 2003 to 2007, has rebounded as well, as has most of the region.

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The third is the diversification of diplomatic relations. No longer limited to embassies located in North America and Western Europe, as was the case for most LAC countries as recently as the 1980s, countries like Brazil, Chile and Venezuela, but also others, have reached out to Africa and Asia in ways that would have been unthinkable in the past. Good relations with the United States are no longer an imperative, but an option.

### **Regional split**

In this context, this Forum addresses a real problem. Another key trend in this period, to some extent at variance with those mentioned above, has been towards the splitting of LAC into two very different sub-regions. On the one hand, Mexico, Central America and the Caribbean have become more dependent on the United States – in terms of trade, migration, investment and even in criminal activities, as transnational gangs circulate freely throughout the Caribbean Basin.

On the other hand, South American countries (the main exporters to Asia) are de-linking from the US. They have started to carve their own niche in international affairs, driven by their growing foreign currency reserves, trade surpluses and lack of dependence on entities such as the IMF and/or strictures from Washington, whose State and Treasury Departments have now little leverage to enforce policy preferences. This emergence of South America as a political entity in its own right, expressed in bodies like Unasur, with its associated South American Defense Council, has been led by Brazil.

Yet, this growing political, economic and social divergence between South and “Middle” America, has failed to satisfy many governments and citizens in Mexico, Central America and the Caribbean. With their own peoples exposed to an ever greater anti-immigrant backlash in the United States (of which the recent Arizona law targeting undocumented workers is an example), racked by growing criminal violence fuelled by the drug-and-gun trade with the US (three Central American countries have some of the highest murder rates in the world, with around 50 murders per 100,000 in 2008) and left in a seeming no-man’s land between an imperious superpower and a resurgent South America, “Middle America” would rather increase its international options as part of a larger LAC, than remain in such a limbo.

### **Convergence beyond ideology**

The critical role played by Mexico as a host of the 22-23 February 2010 Riviera Maya meeting of the Latin American and Caribbean Summit (CALC), at which the Community of Latin American and Caribbean States was launched (CELAC), illustrates this. It also indicates that Mexico is no longer prepared to play second fiddle to Brazil in its commitment to Latin American initiatives, *pace* its NAFTA membership. The fact that Brazil sent a lower level representative to the Caracas ministerial meeting might indicate some reluctance on Brasilia’s part to go along with this. Still, the Forum is an effort to pull together a LAC region whose North and South have increasingly been moving into two very different directions. Whether it will succeed in doing so is another matter.

The degree to which this attempt at re-establishing regional convergence goes beyond ideology is shown by the role played in this Forum by the new Chilean government led by Sebastián Piñera, who took the chair of the Rio Group last March. Though many thought that Piñera would be reluctant to engage in such exercises so as not to antagonize Washington, that has not been the case. Chile and Venezuela will take the lead in chairing this new entity, and Piñera has made it clear he will work with his counterparts in strengthening regional cooperation, in this and in other ventures.

It is unlikely that the new entity will evolve into the sort of heavy bureaucracy that imposes a financial burden on member states. A rotating secretariat, along the lines of the Rio Group model, seems to be the preferred alternative for now. An interesting question is whether the Forum could serve as a sounding board for the three Latin American members of the G20 (Argentina, Brazil and Mexico) to get feedback on the international economic governance issues to be addressed at the next meeting of the G20 in Seoul next November and beyond.

### **The Syrian president in Latin America: a pragmatic trip**

Juan Gabriel Tokatlian\*

At the end of June 2010, President Bashar al-Assad of Syria visited four Latin American countries: Argentina, Brazil, Cuba, and Venezuela. These nations are governed both by radical-leftist and center-left leaders, but despite the ideological divergences, Assad's Latin American trip proved to be more pragmatic than ideological.

The four-nation tour should be placed in a larger context. On the one hand, a complex set of long-term tendencies, international circumstances and hemispheric conditions has been creating a context that can be described as the gradual, though still fragile, dwindling of the Monroe doctrine. Unless Washington resorts to forceful policies and a sustained coercive diplomacy, there are a number of factors the United States cannot avoid: the growing presence of China in Latin America; the return of Russia; the rising profile of India, South Africa, and Iran; the significant provision of high-quality weapons by several European countries (in particular France); the ascendant non-state contacts with different actors from global civil society; and the diversifying ethos of most regional foreign policies.

#### **Regional ties with the Middle East**

The two summits of 2005 and 2009 between South America and Arab countries, to a large extent promoted by Brazil as part of its emerging extra-continental drive, were just two recent examples demonstrating the region's interest in broadening its interests, partners, and agendas. The visits to Syria by the Cuban leader Raul Castro in 2001, the

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Brazilian president Lula in 2003, and Venezuela's Hugo Chavez in 2006 and 2009, as well as the trip to Algeria, Egypt, Libya, and Tunisia by the Argentinian president Cristina Fernandez in 2008, epitomized the fact that Latin American relations with the Arab world are not merely episodic or rhetorical.

On the other hand, Arab nations are also seeking to increase their links in the midst of a turbulent and uncertain scenario in the Middle East. Although the United States continues placing countries of the area on a sort of global "blacklist", and some Western countries persist in a hard-line policy vis-à-vis several Middle Eastern nations, a number of countries have managed to circumvent isolation, and Syria is prominent among them. While Iraq is occupied by the US and its coalition of the willing; Iran is threatened with a potential attack either by Israel or the United States; the Tel Aviv government is losing a significant number of friends in the West due to its increasingly dire handling of the Palestine issue; and other Middle Eastern and Northern Africa Arab states are either too unstable or too weak institutionally; the relative less-volatile Syria is taking advantage of the situation and elevating its role regionally and worldwide.

### **Business, investment and political dialogue**

Bashar al-Assad Latin American tour should be seen, then, in the context of this broader framework. Essentially, al-Assad's objective was to increase business and leverage with the region. The Syrian president attempted to attract private investment for the next five years in order to repair its country's deteriorated infrastructure and improve its declining oil industry. For this purpose Brazil and Venezuela were courted. In 2009, total Brazilian exports to Syria were \$303 million dollars. In Argentina, Assad and Fernandez signed three agreements on media, transport and cultural relations, while agreeing to boost bilateral trade (which was around \$380 million dollars in 2009).

Political dialogue was crucial with Cuba, a traditional ally of non-aligned states and Arab causes, and with Venezuela that seeks to become part of a multi-polar system. The ongoing tensions in the Middle East were highlighted during the visit to Brasilia and Buenos Aires. Assad called upon Brazil – in an interview in *O Estado de Sao Paulo* newspaper – to help bring Israel to peace negotiations and cease its policy on Gaza. In Argentina, Assad thanked this country's "support for Syria's bid to recover the Golan (Heights), just as we support Argentina on the Malvinas".

Contact with expatriates featured prominently in the Syrian president's trip, in particular in Argentina, Brazil, and Venezuela. In Argentina, the Syrian-Lebanese are the third-largest immigrant group after the Italians and Spaniards. There are approximately 3.5 million Arab descendants and immigrants. Ayman Abdel Nour, a Syrian economist and an author of the All4Syria website, asserted that Assad's trip to "Latin America is an *obvious* choice because of the wealthy expatriate community".

To sum up, the Syrian president's landmark visit to Brasilia, Buenos Aires, Caracas, and Havana was, on the one hand, the result of an opening in bi-regional Latin American-Arab relations and, on the other, a practical necessity for Syria. Needless to say there were occasional ideological overtones during the tour. But basically, this was a pragmatic trip both for the guest and the hosts.