

HEMISPHERE HIGHLIGHTS

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Recent Events

April 28

Presentation by His Excellency Álvaro Colom Caballeros, President of Guatemala

April 29

Presentation by Eugenio Hernández Flores, Governor of the State of Tamaulipas, Mexico

April 30

Conversation with H.E. Mario Iguarán, Attorney General of Colombia

“Though the French pledge is not a direct fulfillment of the Manley commission’s sine qua non, the Canadian government remains confident that it will be able to secure the requisite number of reinforcements before the February 2009 deadline.”

Headlines

Canada attends the 20th NATO Summit in Bucharest. Drug-related violence along the U.S.-Mexico border continues to escalate. The prime minister of Haiti is forced to resign in the face of severe food riots. The president of Guatemala visits CSIS to speak about the goals and challenges faced by his government. Sixty-eight members of the National Congress in Colombia are under investigation for links to paramilitary groups. Tensions between the government and military officials in Ecuador persist in the wake of the Colombian cross-border raid on the FARC in March, and investor confidence in the country is threatened by a National Assembly decision to temporarily halt production in the mining industry. The economic minister of Argentina resigns after extensive farm protests caused by an increase in export duties on several major crops.

North America

Canada

From April 2 to 4, Canadian prime minister Stephen Harper attended the 20th NATO Summit in Bucharest, Romania. This meeting was hotly anticipated by Canada’s Conservative government, which hoped to achieve some resolution to the ongoing and increasingly volatile debate surrounding Canada’s future role in the NATO mission in Afghanistan. The summit brought some victories for Canada, though it failed to explicitly fulfill the country’s chief goal of securing an additional 1,000 NATO troops for the dangerous southern province of Kandahar. On the second day of the conference, French president Nicholas Sarkozy confirmed that he would send an additional battalion of just over 800 soldiers to eastern Afghanistan. Though this did not directly meet Canada’s need for reinforcements in the south, the Pentagon subsequently stated that with the French troops relieving the eastern region, the United States would be able to contribute an additional 1,000 troops to Kandahar in November. The summit declaration also included a reaffirmation of commitment to the Afghanistan mission in the form of a “vision statement,” and Canada’s leadership role was lauded by several of its NATO allies following the summit, including Secretary of State Condoleezza Rice and British member of Parliament and defense critic, Liam Fox. *Afghanistan has been a particularly volatile issue in Canada since January 2008, when a report released by an independent commission headed by former Liberal cabinet minister John Manley evaluated the future of Canadian military involvement in the country. The report argued in favor of extending the Afghan mission indefinitely beyond its February 2009 expiration date, but only if certain conditions were met, the foremost being the deployment of a minimum of 1,000 additional NATO troops to assist the Canadian soldiers in Kandahar. Though the French pledge is not a direct fulfillment of the Manley commission’s sine qua non, the Canadian government remains confident that it will be able to secure the requisite number of reinforcements before the February 2009 deadline, most likely via an influx of U.S. troops. However, while the French battalion will theoretically free up 1,000 U.S. soldiers to move to Kandahar in November, a 2,300-strong contingent of U.S. marines currently in southern Afghanistan will withdraw the same month, so this could mean a net decrease of troops in the region. Canadian government officials are therefore being careful to temper their rhetoric surrounding the successful fulfillment of the Manley report’s criteria.* Jessica B. Horwitz

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Mexico

On April 22, the bodies of four men were found in the states of Guerrero and Durango, bringing the total number of murders in Mexico to 1,000 since January. Last year, the country crossed this deadly threshold on May 14, and in 2006, it did not breach it until July. Towns along the U.S.-Mexico border are particularly dangerous. Ciudad Juárez, a key drug smuggling point in the state of Chihuahua and a battleground between the Sinaloa and Juárez cartels, has experienced more than 230 drug-related murders since January, 10 times as many as over the same period last year. The Juárez deaths account for a full third of all the murders in Mexico. Violence has shaken Tijuana as well. On April 26, 13 individuals died and 8 were gravely wounded during a gunfight among drug traffickers. Since taking office, President Felipe Calderón has deployed more than 25,000 troops and federal police who have assumed many of the security duties of local law enforcement agencies. *Drug-related violence has clearly escalated this year despite the president's vigorous efforts to combat narcotrafficking. Though criticized by human rights groups such as Amnesty International, the president's use of the military to fight the drug gangs has been quite popular with the Mexican public. The increase in drug-related violence, however, underscores the complexity of the drug problem and the challenge of reining in the power of the cartels.* Sarah McCune

Caribbean

Haiti

A month-long crisis triggered by food shortages and escalating prices of basic commodities, such as rice and cooking oil, has rocked the government of René Préval. On April 12 the Haitian Senate called for the resignation of Prime Minister Jacques Edouard Alexis after a week of some of the worst looting and violence in Haiti since 2004, when the UN peacekeepers returned to Haiti after the departure of President Jean Bertrand Aristide. The rioting and a march on the national palace stood in stark contrast with the two years of progress that had been evident since the February 2006 election that elevated René Préval to the presidency. On April 28 Préval named Ericq Pierre, Haiti's counselor at the Inter-American Development Bank and a former official of his first government in 1996, to replace Alexis, an appointment that awaits confirmation from the Haitian Senate. After meeting with food importers in the national palace, the president also announced that the government will use \$10 million of international aid money from the World Bank to subsidize a reduction in the price of rice by 15.7 percent, lowering the price of a 50-pound bag from \$51 to \$43. *Though the appointment of a new prime minister may have quelled fears of an immediate collapse of the fragile Préval government, it is still too early to gauge the effect that the global escalation of food prices will have on Haiti's poor. Food prices, which have risen 40 percent on average globally since mid-2007, are causing unrest around the world. But they pose a particular threat to democracy in Haiti, where 80 percent of the population lives on less than \$2 a day and nongovernmental feeding programs from Care to the World Bank provide meals for more than a quarter of Haiti's population of 8 million. The recent violence over increased food costs was also an expression of the pent-up frustrations that Haitians have after four years of international intervention, a new government, and little to show for the changes in terms of job creation or environmental improvements. Despite continued financial support to Haiti, these recent events illustrate the ongoing obstacles that make rebuilding Haiti such a development challenge. It was still unclear how much more assistance and tangible signs of progress will be needed to assure Haitians that their government can maintain the requisite security environment needed to promote the scale of development that Haiti needs to sustain the political gains of the last few years.* Johanna Mendelson-Forman

Central America

Guatemala

President Alvaro Colom of Guatemala promised that his would be a “government of transformation” during a presentation that he gave at CSIS on April 28. He outlined the key areas of concern for his administration, including poverty reduction; improving competitiveness both at a national and human level; promoting overall economic growth, especially in rural areas; and improving the country’s difficult security panorama through police reform, enhanced efforts against narco-trafficking, and improvements in the administration of justice. He also stressed the importance of environmental protection to his administration, particularly in the area of “massive reforestation,” and in the creation of a huge national park in the Petén. Tourism, he claimed, has reached only about 10 percent of its potential in Guatemala. On the foreign policy front, Colom extolled the importance of the bilateral relationship with the United States, highlighting the value of the Central America Free-Trade Agreement (CAFTA) and remittances from the United States to the Guatemalan economy. He further affirmed that he and his entire government are fully dedicated to Central American integration. Responding to questions, he defended the role of the Guatemalan military in combating narcotics, bluntly admitting problems with police corruption. He highlighted good cooperation between the United States and Mexico on drugs and the importance of the Mérida Initiative as an instrument for that purpose, underscoring Guatemala’s lack of resources in combating drug trafficking. Asked his views on the International Commission Against Impunity in Guatemala (CICIG) formed in 2006, President Colom declared that he would conduct a ceaseless struggle (*guerra sin cuartel*) against impunity for past human rights violations in Guatemala and to make certain such abuses do not occur again. *President Colom’s ambitious agenda underscores the plethora of problems confronting Guatemala and the high expectations for his government, given his nontraditional political background. Security issues will be especially troublesome, with police reform posing a particular challenge. At the beginning of his talk Colom mentioned the recent graduation of 450 new police agents and investigators, while at the same time 431 were dismissed for assorted misdeeds, resulting in a net gain of only 19.* Peter DeShazo

“President Colom’s ambitious agenda underscores the plethora of problems confronting Guatemala and the high expectations for his government, given his non-traditional political background.”

South America

Colombia

Sixty-eight members of the Colombian National Congress are currently under investigation for links to paramilitary groups; thirty-two have gone to jail. This has been a significant blow to the perceived legitimacy of a congress with just 102 senators and 166 deputies. More accusations are on the way, including one against the current president of the Congress. The embarrassment to the political system became high drama at the end of April when media images showed former president of the Congress Mario Uribe, a second cousin and former close political associate of President Alvaro Uribe, being driven off to jail after trying to secure asylum in the Costa Rican embassy. The damaging accusations are beginning to touch those outside the Congress. A former congresswoman claims that she voted for the constitutional amendment allowing President Uribe to run for a second term in 2006 after receiving a promise of jobs for her supporters from the president directly. The president has on occasion let known his belief that the Supreme Court, charged with investigating many of these cases, is taking an overly strict view of what constitutes criminal activity by politicians and, what is worse for a person such as Uribe with his well-merited reputation for integrity, that the Court is going out of its way to find evidence of his involvement with the paramilitaries. The Court, and much of the press, thinks it is being bullied. Moreover, as if in retaliation, there are rumors that the Court succumbed to political pressure when it selected the country’s chief prosecutor several years ago.

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*Colombian politics is all about finger pointing these days, and the result is a major institutional crisis. Colombia has adopted various forms of “plea bargaining”—i.e., giving lighter punishment to criminals as a reward for information implicating others—or at least that is how Colombians interpret provisions appearing in the Justice and Peace Law adopted to prosecute the paramilitaries and other reforms of the legal system adopted in recent years. Civil law countries such as Colombia used to oppose such practices strongly because of the danger of abuse. Indeed, though it is clear that many Colombian politicians are certainly guilty of relying on paramilitary money and their threats to local voters, some may have, as *Semana* magazine says, committed what may more rightly be called venal sins, such as having met paramilitaries without having made wrongful commitments. The problem is that the system at this point is little understood and not sufficiently transparent. Colombian practice, for example, does not meet U.S. standards for plea bargaining. Administration of justice in Colombia needs a quick fix, but neither the Congress nor the president, who continues to play with the possibility of seeking a third term, have the credibility on this matter to effect it. The president, of course, remains highly popular for his success in curbing violence and promoting economic growth.* **Phillip McLean**

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Ecuador

Fallout from the raid by Colombian armed forces on a Revolutionary Armed Forces of Colombia (FARC) rebel camp across the border in Ecuador in March continues to plague the government of Rafael Correa. President Correa has purged the armed forces of top commanders, named a new defense minister, and repeated that he will not renew the 10-year lease signed in 1999 for a U.S. “Forward Operating Location” for drug surveillance flights operating from an Ecuadoran air base near Manta. The new defense minister, Javier Ponce, a poet and novelist who had been the personal secretary of the president, also said that Ecuador could suspend some military accords with the United States to block what it calls U.S. ideological influence in its armed forces. Correa, angered that Ecuadorian intelligence services allegedly gave Colombia information on an Ecuadorian accused of ties with the FARC without informing the president, accused the top military and police leadership of being infiltrated by the CIA. *So far, Ecuador’s influential armed forces have bent to the will of the still-popular Correa who is trying to assert greater control over the country’s petroleum and mining industries and challenge the authority of Congress and the traditional political parties. Tensions between the government and the top generals persist, however, and Correa is mindful that the armed forces acted as arbiters in the removal of three presidents in the past 10 years. Correa’s popularity could suffer if he prolongs the dispute with Colombia because voters want him to focus on the anemic economy, which grew only 3 percent last year.* **Lowell Fleischer**

On April 18, Ecuador's Constitutional Assembly voted to suspend most mining of metals within the country for as long as 180 days while lawmakers prepare legislation to regulate the industry. Exploration of Ecuador's large reserves of gold, silver and copper has been put on hold by the decision, which also declared a moratorium on any new concessions during this period. The decision revoked over three quarters of the mining concessions currently held in Ecuador, allowing each company to keep no more than three of its current concessions. Recently, President Rafael Correa's administration has been moving to obtain greater control over Ecuador's natural resources, in order to boost the government's share of profits. The proposed mining bill calls for a renegotiation by the government of terms with mining companies. This law has provoked criticism in business circles due to the resultant drop in stocks of mining companies with investments in Ecuador as well as the law's aim to create tougher environmental controls over the mining sector. Ecuador also plans to create a state-owned mining company, drawing on Chile's example, although Oil Minister Galo Chiriboga has asserted that the government has no plans to nationalize its mining assets. President Correa has reiterated his support for large-scale mining, saying that the issue at hand with this new law is "to seek responsible, economical, social and environmental mining." *These events threaten to disrupt investor confidence in Ecuador, and the decrease in production resulting from the Assembly's decision will likely result in layoffs within the country's mining industry. Ecuador has great mining potential, with mineral reserves totaling an estimated \$220 billion. The vote to suspend new concessions comes at a time when the head of Peru's Gold Committee at the National Society of Mining, Petroleum and Energy announced that the country plans to open new mines, increasing output of gold by 9.4 percent this year. Peru is currently the world's fifth largest gold producer, with a booming mining sector that is attracting considerable foreign direct investment – in contrast with current concerns regarding Ecuador.* **Michelle Housworth**

"The proposed mining bill calls for a renegotiation by the government of terms with mining companies... [and] has provoked criticism in business circles due to the resultant drop in stocks... [and its] aim to create tougher environmental controls over the mining sector."

Argentina

On April 25, it was announced that Martín Lousteau, the first minister of the economy in Cristina Kirchner's administration, resigned after only four months in office. His most controversial measure, an increase in export duties levied on several major crops, caused the most impressive and extensive farm protests in Argentina's history. Since 2002, export duties have been the government's answer to high commodity prices. Argentina clearly benefits from such high prices in the form of greater income derived from exports. But high international prices would also normally mean high domestic prices for food. With the economy growing at 8 percent or 9 percent rates, fueled by a monetary policy that promotes consumption, high food prices would lead to greater demands by labor unions in collective agreements that have already shown generous concessions by employers year after year. All these factors combined cause inflation. Export duties serve not only to depress domestic prices of the products taxed, but to bring huge revenues to the treasury. But market fluctuations should give producers signals to shift investments from one crop to another, or between crop farming and cattle raising. Export duties have placed that responsibility in government hands. Farmers were already complaining about inconsistencies and distortions. Lousteau's measure was the final straw. *A 30-day truce between the government and representatives of the agricultural sector was about to expire with no compromise in sight when the change of minister opened the way for a new approach to the problems caused by the mixed blessing of high agricultural commodity prices. The appointment of a new minister has led to the extension of the truce and renewed negotiations with the farmers association's leadership. Public opinion holds out the hope for an agreement satisfactory to all parties involved.* **Carlos M. Regúnaga**

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