

HEMISPHERE HIGHLIGHTS

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Upcoming 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

"Attendees, however,
believe that while Latin
America is better prepared
than it was for past world
economic shocks, it cannot
avoid a serious downturn."

Headlines

A meeting of the Inter-American Development Bank's Board of Governors evaluates the impact of the financial crisis on **Latin America**. The government of **Canada** pledges new funds to strengthen the rule of law and promote the democratic process in Afghanistan. The White House announces a new security initiative to stem drug cartel-related violence spilling over the border from **Mexico**. A cabinet reshuffle in **Cuba** reduces the predictability of who will succeed Raúl Castro. Mauricio Funes of the left-wing FMLN party in **El Salvador** wins the presidential election, ending 20 years of conservative rule. **Colombia** launches a new defense initiative to consolidate state control over key parts of national territory that have been historically affected by the FARC and other insurgent forces, and the Colombian media ramps up anti-U.S. rhetoric. The capture of suspected members of Maoist insurgent group in **Peru** suggests that it may still have a presence after a decade of inactivity. **Argentina** passes a bill to move up the date of its legislative elections to five months earlier than specified in the national electoral code in order to better respond to the global financial crisis.

Regional

The Inter-American Development Bank (IDB) held the 50th annual meeting of its Board of Governors in Medellín, Colombia, on March 28–30. In the midst of global financial doom and gloom, participants worked to put a positive face on Latin America's prospects. With some notable exceptions (Venezuela, Bolivia, and to a lesser extent Argentina), regional policymakers have used the last decade of rising commodity prices to restructure national finances and prepare for the kind of collapse of raw material export earnings that is now occurring. Attendees, however, believe that while Latin America is better prepared than it was for past world economic shocks, it cannot avoid a serious downturn as the impact of a global capital shortage hits the balance sheets of governments and businesses across the hemisphere. A constant refrain heard in Medellín is that the IDB will have a crucial role in making up for the disappearance of regular private channels of investment money. Peruvian financier and former government official Pedro Paulo Kuczynski is heading a study group that is likely to call for countries to replenish the bank's callable capital by at least a \$100 billion. *The Medellín meeting had less of the fever typical of earlier IDB gatherings during periods of both positive and negative market frenzy over the region's future. As might be expected, fewer money-center bankers were present. The U.S. government, however, made a good showing by sending its new and very busy treasury secretary Tim Geithner to open the event. He did pledge to support an expansion of IDB lending, though he notably did not directly endorse capital replenishment. In a preconference dialogue with IDB president Luis Alberto Moreno, former U.S. president Bill Clinton made an impassioned appeal for help to the region's poor and, while criticizing populism, urged the hemisphere to stay engaged with its less responsible neighbors. In a little noticed but significant reply to the recent campaign by some other past presidents, he emphatically rejected the legalization of cocaine, insisting that it would be "a disaster."* Phillip McLean

Recent Events

Friday, March 20

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

Cuba Outlook 4: The Foreign Policy of Cuba

Tuesday, March 24

9:00a.m. - 4:00p.m.

Demographics, Development, and Retirement Policy in an Aging Latin America

Monday, March 30

1:00p.m. - 2:00p.m.

An Update on Alberta Climate Change and Other Policy Initiatives

North America

Canada

A series of announcements were made in the month of March by Canadian government officials to further Canada's Afghanistan strategy. During a three-day visit to Afghanistan from March 15–17, Canadian minister of foreign affairs Lawrence Cannon and minister of international trade Stockwell Day announced a pledge of C\$21 million to “strengthen the rule of law” in the country. The visit included working meetings with Afghan ministers and senior officials, including President Hamid Karzai, as well as a less traditional stop at Kandahar’s main prison, Sarpoza, which was the site of a dramatic Taliban-orchestrated jailbreak last June in which 800 prisoners escaped. The new funds will be used to pay for most of the salaries of all 3,000 officers in the Afghan National Police in the coming year. Portions of the money will also go toward improving the pay of corrections officers, to a human rights fund, and to helping with reconstruction of the Sarpoza prison. Minister Cannon also announced this month an increase in the number of Royal Canadian Mounted Police (RCMP) training officers deployed to Kandahar to assist in police training. This will nearly double the current number of Canadian police mentors in Afghanistan, raising the number from 29 to 50—a dramatic increase from only a year ago when there were 8 in the country. The national police force in Afghanistan is plagued by numerous challenges including widespread corruption (exacerbated by low police salaries) and shortages of basic resources such as trucks and fuel. *Strengthening the rule of law in Kandahar province is one of six priorities in Canada's Afghanistan strategy, another of which is the promotion of democratic processes. The C\$21 million announced by Ministers Cannon and Day accompanies another pledge of C\$35 million made at the beginning of the month to support Afghanistan's August 2009 elections, a contribution that makes Canada one of the leading donors in the C\$260-million multistate effort to ensure a free and fair election process in the country. These funds will help to pay for key election requirements including voter registration, recruitment and training of election officials, production and transportation of election materials, and results verification. These new moves to increase support for nonmilitary aspects of Afghanistan's development demonstrate Canada's earnest commitment to its stated withdrawal timeline—in the face of a war-weary electorate, the Harper government has announced its intention to pull out its troops by 2011 and appears likely to remain firm in this plan. The deaths of four Canadian soldiers this month brought the Canadian death toll in Afghanistan to 116 since 2002. Canada has about 2,500 soldiers in Afghanistan, mostly in the volatile southern region of Kandahar.* Jessica Horwitz

Mexico

On March 24, the White House announced a new security initiative aimed at helping the Mexican government control an escalating war among rival drug-trafficking cartels and prevent the violence from spilling across the U.S.-Mexico border into communities in the American southwest. The plan redirects Department of Justice and Homeland Security personnel to the border; bolsters Treasury activities to disrupt the cartels’ financial networks; and strengthens efforts to centralize and coordinate intelligence gathering related to criminal organizations. It also outlines programs to stem the flow of arms from the United States into Mexico and to reduce the U.S. public’s demand for illegal drugs trafficked from Mexico. The announcement came a day before Secretary of State Hillary Clinton traveled to Mexico City to meet with President Felipe Calderón and with Foreign Minister Patricia Espinosa. In remarks, Clinton acknowledged the role of U.S. drug demand and arms sales in contributing to the wave of violence Mexico has been experiencing. She also announced the Obama administration’s intention to seek \$80 million from Congress to assist the Mexican government in

purchasing helicopters and other high-tech equipment to detect and curtail drug-trafficking activities. *The U.S. Congress has already appropriated \$700 million in FY08 and FY09 funds for the multiyear Mérida Initiative, which provides training and technical assistance from the U.S. government to Mexico and Central American countries to fight organized crime. Clinton's visit served to underscore the Obama administration's new direction in recognizing the role of the United States in Mexico's drug-related problem, a political shift that has been welcomed by Mexican public officials and commentators. Concerns about drug violence in northern Mexico have prompted leaders in some southwestern states to call for the deployment of National Guard troops to maintain border security, a proposal that raises concerns for Mexicans mindful of U.S. military intervention in Mexico in the early part of the twentieth century. More than 6,000 people were killed in drug-related violence in Mexico in 2008, with most experts attributing the violence to turf wars among rival cartels and attacks by the narco-traffickers on the police and the more than 40,000 troops that the Calderón administration has deployed to hot spots, including Ciudad Juárez and Tijuana. Some analysis, however, suggests that criminal organizations in Mexico may be starting to cooperate with one another in an effort to protect their business interests, and Mexico's Subprocuraduría de Investigación Especializada en Delincuencia Organizada (SIEDO) announced that it had evidence the powerful Gulf and Sinaloa cartels had recently agreed to respect a division of territories and avoid competing for markets and trafficking routes. President Obama is expected to visit Mexico in mid-April, when border security topics, along with trade, immigration policy, and the controversy of the recent cancellation of a pilot program allowing Mexican trucks to deliver goods in the United States, are likely to be on the agenda.* Katherine E. Bliss

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Caribbean

Cuba

On March 2, Raúl Castro restructured the Cuban cabinet by dismissing 10 officials, including Cabinet Secretary Carlos Lage and Foreign Minister Felipe Pérez Roque. Both Pérez Roque and Lage had been pegged as possible leaders in a post-Castro world. Speaking to the Cuban Legislature, Castro said he made the changes because "a more compact and functional structure is required today, with fewer agencies under the Central State Administration and a better distribution of their duties." The move took many experts by surprise. Lage, who had held office since the early 1990s, was responsible for many of the reforms that helped Cuba survive the economic crisis known as the "special period" that followed the fall of the Soviet Union. In his role as cabinet secretary, Lage effectively ran much of the Cuban government, causing many to call him prime minister in all but name. The 44-year-old Pérez Roque, who had spent a decade as Fidel's chief of staff, was seen by many as a staunch Fidel loyalist. *The changes provoked considerable speculation inside and outside of Cuba. Initial analysis among news agencies and Cuba watchers was that the cabinet shuffle represents Raúl Castro's attempt to consolidate his own base of power. At a recent CSIS panel discussion entitled "Cuba's Foreign Policy," Dr. Susanne Grätius, senior researcher at the Fundación para las Relaciones Internacionales y el Diálogo Exterior in Spain, argued that the moves demonstrate that charismatics and reformers are not welcome under Raúl. Dr. Grätius also noted that the consolidation of power around Raúl may facilitate the possibility of improving relations with the United States. Although the motivations behind this cabinet reorganization remain unclear, many believe that Raúl has strengthened his hand in an effort to ensure short-term stability but that longer-term implications for a succession from Raúl are now less predictable.* Thomas Cook

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Central America

El Salvador

Mauricio Funes, candidate of the Farabundo Martí National Liberation Front (FMLN), won El Salvador's presidential election on March 15 after besting his opponent, Rodrigo Ávila of the ruling Alianza Republicana Nacionalista (ARENA) conservative party, by 68,000 votes out of 2.6 million cast. Funes, a former television journalist who was never a guerrilla combatant, will become the first member of the former rebel movement turned political party to lead the country. ARENA had controlled the presidency since 1989. In the months leading up to the election, Ávila had steadily closed a double-digit gap in the polls, and his background as national police chief in a campaign where security was a leading priority for voters led many to believe he could overcome the deficit. When an ARENA candidate won a race for mayor of San Salvador in January, ending 12 years of FMLN control in the municipality, many observers predicted ARENA would once again take the presidency. In the end, however, the electorate preferred Funes's message of safe change and pragmatism and rejected ARENA's attempts to portray him as a front for the more radical wing of the FMLN party. Desire for change and *alternancia democrática* was also widely cited as a cause for the result, as the financial crisis has hit the country hard and the ARENA party was seen to be running out of fresh ideas after 20 years in power. *Analysts are adopting a wait-and-see approach to the Funes presidency. Although his victory is being viewed within the wider framework of Latin America's recent tilt to the left, Funes has made every effort to reassure those who fear that he will follow the lead of Chávez and Morales, as many former guerrillas would like him to do. He has said that his model resembles neither of theirs but rather Brazilian president Luis Inácio Lula da Silva, and on the night of his election Funes announced that he would not reverse privatizations or threaten private property. Skeptics fear that Funes will be unable to impose his moderate views on his party and that the influence of figures such as Vice President Salvador Sánchez Cerén and economic guru Gerson Martínez, both of whom are seen as hard-liners, could prevail. For the moment, both sides seem to be giving each other the benefit of the doubt. Incumbent president Tony Saca's decision to invite Funes to accompany him to the upcoming Summit of the Americas to introduce him to regional heads of state and smooth his transition is a hopeful sign of constructive relations both for El Salvador's domestic politics and for its foreign affairs.* **Matt Potter**

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South America

Colombia

On March 20, President Alvaro Uribe of Colombia announced an initiative termed the “Strategic Leap” to consolidate state control over key parts of national territory. This plan, outlined in a presidential directive, is aimed at providing a mechanism to “strengthen the alignment” of military, police, counternarcotics, and civilian development entities of the Colombian government in bringing strategically important parts of the country under effective state control. According to the directive, this initiative for “territorial consolidation” is intended to be progressive and irreversible. It is aimed at parts of the country that have in the past been most affected by the presence of the Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN), paramilitaries, drug cultivation and trafficking, and the violence and conflict that accompanied them. Specifically mentioned are

the confluence of Nariño, Chocó, and Cauca Departments along the Pacific Coast, the area of Bajo Cauca in Antioquia, the Macarena area in Meta, the Caguán zone in Caquetá, the southern Tolima and Valle de Cauca areas, the “Montes de María” area in Sucre in the department of Arauca, and the Catatumbo zone of Norte de Santander Department, among others. The directive empowers the Center for Coordination and Integral Action (CCAI), an interagency committee under the presidency, with coordinating this effort and calls for government resources to be channeled into the high-priority regions. *Uribe's new directive reflects the lessons learned from past Colombian efforts at consolidating state control in conflictive areas, where uncoordinated military, counterdrug, alternative development, and socioeconomic initiatives often failed to achieve sustained results. Coordinated interagency efforts are in fact already taking place, the most significant being the Plan de Consolidación Integral de la Macarena (PCIM) launched in 2007 to bring about a transition to effective state authority in six municipalities in Meta Department—a traditional stronghold of the FARC.* **Peter DeShazo**

The Colombian media has been giving heavy play in the past month to signs of annoyance with relations with the United States. This trend began after Vice President Francisco Santos declared it was time to end “Plan Colombia.” He said bilateral cooperation with the United States required giving up too much of the country’s dignity. This statement was followed by a report that the U.S. embassy had sent the government a protest note over the Colombian Supreme Court’s refusal to extradite two members of the FARC allegedly involved in the kidnapping of three Americans. Further fuel was added to the fire by rumors that the United States would ask for the extradition of perpetrator of a massive Ponzi scheme that has rocked the Colombian economy. Reports that members of the U.S. Congress are using Colombia aid legislation to require specific actions by the Colombian military or the semi-independent prosecutor’s office seemed to confirm Santos’s complaint, especially when other articles claimed that members of the U.S. Congressional Black Caucus were taking credit for Colombian government actions to aid its own Afro-Colombian citizens. An article in the weekly newsmagazine *Semana* headlined “Colombia: The 51st State?” summed up the resentment over “the northamericanization of Colombia” with emphasis particularly on the U.S. role in reform of the country’s judicial system and the visible presence of officers and contractors at Colombian military bases. *One of the remarkable results of large-scale U.S. support for Plan Colombia has been the relatively small amount of bilateral friction it has generated, a credit to both countries. At a time of declining U.S. aid, it was perhaps inevitable that some of the underlying differences would come to light. Colombians are highly nationalistic. In 1975 their president surprised the United States by asking for the immediate termination of what was then still a large aid program. Vice president Francisco Santos is said to be especially upset that his efforts to deal with the issue of the security of labor union members have been met with no perceptible response from Washington, even after the country fundamentally changed its collective bargaining rules. A much desired free-trade agreement remains stuck in the U.S. Congress. Cooler heads are so far prevailing. The U.S. ambassador has it made clear that the United States meant no disrespect for the Colombian judicial system. The country has extradited more than 800 narco-traffickers since 2002. Foreign Minister Jaime Bermúdez contradicted the vice president, and defense minister Juan Manuel Santos, the vice president’s cousin, also stressed that Plan Colombia must go forward.* **Phillip McLean**

“One of the remarkable results of large-scale U.S. support for Plan Colombia has been the relatively small amount of bilateral friction it has generated, a credit to both countries.”

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Peru

The capture this month of suspected Sendero Luminoso (Shining Path) guerrillas in the Vizcatan and Huanucu Provinces, as well as reports that the group has become increasingly involved in cocaine cultivation, production, and distribution, suggest that the Maoist insurgent group still has a presence, however limited. On March 10, the Peruvian army announced that it had arrested three suspected members of Sendero whom it alleged were involved in an operation intended to destroy electricity transmission towers in the Huanucu Province using dynamite charges. The army argued that the same men were responsible for a similar attack on a different electricity transmission tower a few weeks earlier in Santa Rosa de Shapajilla, also in the Huanucu region. The week of March 17, the army announced that it had captured an additional seven men it alleges are Sendero members during a “search and consolidation” operation in the Vizcatan region. The army’s activities are a part of a military campaign, Operation Excellency, which began in August 2008. The campaign’s mission is to “capture and/or neutralize narcoterrorists with finality.” *The Shining Path originally emerged in the late 1960s as a Communist revolutionary group led by the San Cristóbal of Huamanga National University philosophy professor Abimael Guzmán. The group’s stated goals were to take power away from the elite and to destabilize the government in order to replace it with a Communist regime. Guzmán based his strategy on Maoist ideologies including the rejection of perceived class exploitation through a people’s war and the implementation of guerrilla tactics. According to a truth and reconciliation commission, between 1980 and 1992 Shining Path carried out various acts of terrorism resulting in an estimated 31,331 deaths and disappearances from 20 of the 25 departments of Peru, primarily in Ayacucho. In 1992, Guzmán was captured, along with a number of his top lieutenants. He was sentenced to life in prison, first by a secret military tribunal, and then again 14 years later in a civil proceeding. Some analysts believed Shining Path had been largely dismantled after Guzmán’s capture. However, in November 2008, a faction of remaining members released a communiqué in which they denounced Guzmán as a “revisionist traitor” and articulated the group’s intent to reemerge as a populist movement to overthrow the Peruvian government and replace it with a Communist command. Over the last decade and a half, the group has maintained a presence in the villages of the Vizcatán jungle, the largest coca-producing region in Peru. Although analysts argue that Shining Path has long generated funds through its involvement in the drug trade, many believe it now focuses on cocaine production and the protection of drug smugglers to maintain its presence. Security analysts in Peru estimate that Shining Path employs about 500 laborers in the cocaine trade, in addition to its 350 armed combatants. John Mulqueen*

Argentina

On March 26, the Argentine Senate passed a bill proposed by the executive and approved by the Chamber of Deputies to move up the date for this year’s legislative elections to June 28, 2009. According to Argentina’s national electoral code, elections are to be held on the fourth Sunday of October. Pursuant to that rule, this year’s mid-term congressional elections had been previously set for October 25. President Cristina Kirchner and other government spokespersons justified the move in relation to the effects that the international economic crisis will have in Argentina’s economy: ending the electoral process as soon as possible would allow the country’s leadership to concentrate on implementing measures to face the crisis. The opposition contends that the crisis is being caused by wrong approaches in domestic policies and that international factors are simply aggravating it. Moreover, they argue that the government is losing popularity, and this decision is based on the speculation that the sooner the elections are held, the greater the chance of retaining votes that by October would have crossed over to opposition parties. Although it is too early to make a sound

forecast, initial estimates predict a three-way split on the national level, with exceptions in certain districts due to local circumstances. The split would be among the formal structure of the Partido Justicialista, led by former president Néstor Kirchner; a center-right alliance that will include chief of government of the City of Buenos Aires, Mauricio Macri and anti-Kirchner Peronists; and a center-left alliance usually referred to as Pan-Radicalism because it includes the most popular figures of the traditional Unión Cívica Radical (now divided into several parties) plus the Socialist Party. The best known national leaders of this movement are Vice President Julio Cobos, former Diputada Elisa (Lilita) Carrió, and the governor of the very important Santa Fe Province, Socialist Hermes Binner. What may be most surprising to anyone not familiar with the particularities of Argentine politics is the rumor that Néstor Kirchner himself could head the Partido Justicialista's list of candidates in Buenos Aires Province for seats in the Chamber of Deputies. *Kirchner's aim would be to get more votes in that district, the largest in the country, than any single other list and obtain a popular ratification of his and his wife's power in a sort of ad hoc plebiscite. He might just get that result in the face of a divided opposition. But by the same token, the proportional representation system would most probably grant the opposition parties more seats in the Chamber than they would get if they managed to join forces behind one list.* Carlos M. Regúnaga.

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Contributing Authors

Peter DeShazo
Director, Americas Program

Carlos M. Regúnaga
Director, Argentina Office

John Mulqueen
Intern-Scholar

Katherine E. Bliss
Deputy Director and Senior Fellow

Jessica Horwitz
Program Coordinator

Matt Potter
Intern-Scholar

Phillip McLean
Senior Associate

Thomas Cook
Intern-Scholar

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