



In this Issue

The Special Summit of the Americas
John W. Graham.....1

US Trade Strategies and the FTAA
Process
Nicola Phillips.....3

Guatemala's New President and the
Challenges Ahead
Claudia Paguaga.....5

Cuba's Internet Paradox: New
Restrictions Amidst Ongoing Upgrades
Cristina Warren.....6

Editorial

What is Paul Martin's Americas Policy?
Paul Haslam.....8

News Briefs

Mexico.....2
Venezuela.....7
Nicaragua.....9

Abstracts

Unfunded Mandates in the Western
Hemisphere.....9

Summary of News Items Reported on
Cuba 2003.....10

Editorial Board

Donald R. Mackay
Executive Director
Sharon O'Regan
Deputy Director
Paul Haslam
Senior Editor
Claudia Paguaga
Co - Editor
Laurie Cole
Co - Editor
José Hernández
Design and Layout

The Special Summit of the Americas

John W. Graham

Although discreetly not trumpeted as such, the Monterrey Special Summit of the Americas (January 12-13) was a Canadian initiative. It was inspired by several factors. One third of the present heads of state and heads of government had taken office since the last Summit and were therefore not part of the collective commitment struck at Quebec. There was a sense that a jolt of revitalization was needed in a region gripped in large part by recession and a widening gap between the wealthy and the poor. So it was, that as delegations gathered in Monterrey, there was a lot at stake for Canada and particularly for Paul Martin on his first major foreign expedition as Prime Minister (PM).

In the end Martin and Canada scored high marks - probably more than any other single delegation. The priority goal, getting off to a good start with George W. Bush, and doing so without cost to dignity or integrity, was accomplished. After years of reciprocal truculence between Canada and Brazil, the Martin-Lula bilateral has given this relationship a fresh start. The PM's bilateral session with President Fox of Mexico was warm but probably less productive than the other two as Fox is increasingly a lame duck President. It is difficult to assess Martin's impact on the others, given a very compressed Summit time frame (just under 24 hours) and low expectations. However, Martin's statement that free trade is a desirable goal but one that will not deliver prosperity unless it is part of a broader package that "ensures that the appropriate social policies are in place - so that the benefits (of growth) will reach all citizens in an equitable way" stood in benign contrast to the Bush mantra that a Free Trade Agreement of the Americas (on US terms) will raise all boats.

As a civil society organization long active in the push to allow NGOs the opportunity to dialogue with Summits and other Inter-American institutions, FOCAL acknowledges the welcoming references in the Declaration to the important role of civil society "in favour of development and democracy." A highpoint for Canadian civil society representatives was a discussion with Prime Minister Martin on the last day of the Summit. The Mexican government was less enthusiastic about NGO participation. Once NGOs were installed, Mexican foreign ministry officials were helpful and provided unprecedented access to the plenary sessions, but by delaying the issue of invitations to civil society organizations until some three weeks before the Summit, effectively limited NGO participation "within the security perimeter" to approximately 70 representatives from the entire hemisphere. Outside were small groups of protesters, extravagantly outnumbered by riot police and appropriately coined "globaliphobicos" by the Mexican press. Unlike Quebec City, where it was colder, one group demonstrated their inconformity with the Summit process by removing their clothes.

By the time the sun had settled into Monterrey's industrial smog on January 13, it was evident that the President of the United States had arrived with limited objectives – fence repairs with Canada and Mexico. The President reiterated his program for the provision of temporary status for migrant workers. For the Caribbean, he announced an AIDS, drugs and anti-terrorism package, but there was no benevolent embrace for the region as a whole, which with few exceptions (7 out of 33) had chosen not to join the “coalition of the willing” on Iraq. Acknowledging that this president had major distractions elsewhere, veteran observers remarked on the generational shift of priorities,

Mexico

US President George W. Bush took advantage of the Special Summit of the Americas, held in Monterrey Mexico, January 12-13, 2004, to unveil a new temporary worker plan. The plan will allow between 8 to 12 million illegal migrants working in the US – approximately 60% of which come from Mexico – to be “legalized” and granted work permits. If passed by Congress, the plan will grant three-year, renewable visas and allow workers to bring their spouses and children to the US. The workers will not enjoy the rights of permanent residency (Latin American Regional Report – Mexico & NAFTA, 01/13/04).

Mexican President Vicente Fox was quick to publicly express his support for the proposed plan. His meeting with President Bush was touted as a rapprochement in what has been a tense relationship since September 11, 2001, after which the two countries abandoned migration talks, and following the Mexican refusal to support the US pursuit of a United Nations Security Council resolution authorizing an attack on Iraq in March 2003. Commentators were quick to suggest that the improvement in bilateral relations and the new migration plan – which would allow Fox to fulfill his election goal of improving the conditions of Mexican migrants – could provide an opportunity for Fox to reinvigorate his government’s inert and rudderless image (Economist, 01/15/04).

However, the developments have not silenced his detractors, and Fox has been criticized within Mexico for his “unconditional” support of Bush’s policies and his backing of a migration plan which critics in both Mexico and US claim does not go far enough to protect migrants unless supplemented with broader amnesty programs and long-term legalization mechanisms (El Universal, 01/23/04). Critics see the plan as providing too few permits to deal with the total number of illegal workers, primarily benefiting large corporations, and being little more than a pre-election ploy intended to win Latino votes despite scant chance of passing Congress. Fox has promised to negotiate the finer points of the plan with US officials, and in the weeks since the initial announcement, Bush has added a yearly increase in the number of visas to be granted and a social security program that will allow workers to claim benefits accumulated in the US upon their return to Mexico (Latin American Weekly Report, 01/20/04).

noting that Bush senior had developed the most positively engaged relationship with Latin America of any President, before or since. At Monterrey, Bush Jr. fretted openly about “the Axis of Anxiety” (our term, not his): Bolivia, Haiti, Colombia and Venezuela - all serious candidates for concern.

Monterrey was not intended to produce another Summit Plan of Action - indeed part of its purpose, as envisaged by its Canadian architects, was to underline the need to follow-up the still much unfulfilled Quebec City Plan of Action. The most visible end product of this Special Summit of the Americas was to be its final statement - The *Declaration of Nuevo Leon* - which, in addition to exhortations about the 2001 Action Plan, would incorporate low-cost practical deliverables. The United States, with Canadian support, wanted the Declaration to feature robust language on corruption - and was anxious to give the wording teeth. For example, politicians indicted for corruption would be barred from any future Summit or Inter-American event.

The Summit negotiators were instructed to complete an agreed draft before Christmas. However, most of Latin America and the Caribbean resisted strong language on the corruption issue, pointing out that without an agreed-upon definition of corruption and without confidence in the courts throughout the region, enforcement would lack a solid base. Resistance was also fuelled by concern that lurking in the language might be the threat of unilateral US de-certification. Venezuela pressed for a humanitarian fund, which met strong opposition because donors thought it resembled an undisciplined slush fund. Despite late night sessions, the original notion of wrapping up the Declaration at meetings in Washington before Christmas did not work out. Indeed, cranky and exhausted delegates only agreed on the wording about half an hour before the closing session of the Summit.

The result is not a bad document. There is a timely acknowledgment of the economic impact of remittances with a commitment to halve the cost of these transfers, a fresh awareness of the need to strengthen property rights, and an undertaking to simplify and reduce the cost of establishing

businesses. Possibly in recognition of the pressures of civil society, there is a passage describing "access to information"- a governance concept that hardly exists in most of the region as "indispensable." A surprisingly positive passage notes the commitment of all member countries to address terrorism "in full compliance with our obligations under international law, including international human rights, refugee and humanitarian law." The one tooth left in the anti-corruption language denies "safe haven to corrupt officials and their assets."

There is the usual perfunctory saluting of a multitude of issues from poverty reduction to education and human rights. The FTAA does raise its head with a curiously disingenuous welcome for its "progress" and "satisfaction" with "the balanced results" of the November ministerial meeting on the FTAA held in Miami. At this meeting Brazil and the US agreed to put the FTAA temporarily in mothballs, while cherry picking free trade agreements on a bilateral basis. Unaccountably absent from the plenary debate was a clear warning that without a major replenishment formula, the Organization of American States (OAS), the Summit's principal implementing body, would be unable to maintain essential programs, much less any new Summit initiatives. Reflecting the mood of many of the delegates, the *Declaration of Nuevo Leon* lacks a motivating central vision. It will probably rank as the least memorable of a decade of Summit statements.■

John W. Graham is Chair of FOCAL's Board of Directors.

US Trade Strategies and the FTAA Process

Nicola Phillips

One could well believe, reading statements issued by the US government, that the recent change of tack in trade policy is a second-best option when the strategies of choice have run aground. The shift towards a prioritisation of bilateral trade negotiations, the argument goes, has been precipitated on the one hand by the increasingly ponderous nature of the multilateral trade process and the growing "crisis" of WTO (World Trade Organization) negotiations and, on the other, by the gradual loss of steam in the hemispheric trade process which culminated in the abandonment of the principle of the "single undertaking" at the FTAA (Free Trade Area of the Americas) talks in Miami last November. It is telling that the stumbling blocks in both settings have come to be attributed primarily to the intransigence of trading partners, particularly Brazil. A focus on bilateral agreements is thus motivated by frustration in the Office of the United States Trade Representative (USTR) with the leaden-footed advance of liberalisation and impatience with the obstructive negotiating tactics of other countries. Hence, in the Americas, the bilateral agreements with Chile in December 2002 and almost exactly a year later with four Central American partners for a Central American Free Trade Area (CAFTA), and the rash of announcements signalling talks with Bolivia, Colombia, the Dominican Republic, Ecuador, Peru and Panama on similar deals.

There is undoubtedly something in this line of reasoning. Historically, interested branches of the US government have displayed a consistent inclination towards the multilateral negotiation of trade rules, resulting in the current administration's frequently voiced concerns that the US has been "left behind" in regional and bilateral trade negotiations and thus lost valuable ground to rivals like the EU (European Union). Yet at the same time many of the difficulties that the WTO has encountered have resulted from the increasingly unhappy record of US compliance with multilateral trade rules over the last twenty years or so. This ambivalence at the heart of US trade policy has been particularly striking during the Bush administration, notably with the Farm Bill, the illegal quotas on steel imports and the also illegal Byrd Amendment under which money collected by the US government in fines from trading partners is channelled to US firms. It is also clear that the US, being very near the top of the list of potential winners from an FTAA, has come from behind to be one of the countries most active in promoting a "comprehensive" hemispheric trade agreement. When the USTR came to the conclusion that this was not looking likely at the end of 2002, mainly because of profound differences with Brazil, an amusingly ironic partnership emerged as the two countries teamed up to impose the "buffet-style" format for the FTAA and defend it staunchly against opposition rallied largely by Canada, Chile and Mexico.

Yet the notion that bilateralism is a distant second-best option for US trade policy is at best misleading, at worst disingenuous. Rather, the increasing prioritisation of bilateral agreements arises from their much greater utility in serving key US priorities: obtaining access to services markets in exchange for some degree of access to the US market for some exports but, at the same time, avoiding significant concessions on agricultural subsidies or modification of domestic laws on trade remedies (particularly anti-dumping); entrenching a range of disciplines in such areas as intellectual property rights and investment rules; and initiating changes to legal and regulatory structures in partner countries in order to enhance their congruence with US trade and investment interests. All of these issues have proved to be intractable sticking points in the

FTAA (and WTO) negotiations, but have been successfully accommodated in both of the “bilateral” agreements concluded with Chile and for the CAFTA. Both agreements have also been used to introduce provisions on labour and environmental standards, again vehemently contested in multilateral and hemispheric negotiations, which locate responsibility for identifying breaches of obligations and enforcement of penalties directly in the hands of the US government. While the US government in no way accrues responsibility for local law enforcement, nevertheless it reserves control over the process by which shortcomings in this enforcement are determined to contravene the terms of trade agreements and monetary penalties thereby imposed. No independent body has been established or proposed to discharge this function and, until an FTAA comes into being, there is no regional dispute settlement system in which any subsequent conflict over enforcement of this system might be pursued.

In a nutshell, bilateralism is fundamentally about boosting US leverage over the trade and investment agenda and more broadly over the architecture of the region, and has become the favoured strategy for precisely this reason.

The second key dimension of the new bilateralist vigour is that it constitutes a means of establishing a range of “precedents” which are then deployed as baseline stipulations for subsequent negotiations with partners both inside and outside the Americas – what is generally referred to as “raising the bar” or, by Robert Zoellick, USTR, as a “competition in liberalisation.” The Chile-US and CAFTA agreements are perfectly indicative of this process in action, the CAFTA exceeding the provisions of the Chile-US agreement in a range of areas, notably labour and environmental standards, and making even fewer concessions in areas such as agricultural liberalisation. Moreover, the precedents established in the context of Zoellick’s “competitive liberalisation” strategy are designed to apply also to the FTAA negotiations, many of the bilateral provisions being deemed to constitute templates for equivalent provisions in any hemispheric agreement. This serves the additional aim of ratchetting up the incentives for other FTAA partners, particularly the less accommodating ones in the Southern Cone, to either engage in similar negotiations or soften positions in the FTAA in the interests of arriving at agreement.

So what are the implications of these strategies for the FTAA? First, it seems that the benchmarks in the FTAA process have been fundamentally redrawn: rather than the FTAA as “WTO-plus”, we now have bilateral agreements as “FTAA-plus.” With the abandonment of the single undertaking and the establishment of baseline bilateral precedents that would seem difficult, at best, to achieve in the hemispheric arena, there is a strong possibility that the FTAA process will effectively become redundant or reduced to the broadest of frameworks within which regional trade relations are managed – much as the WTO increasingly appears to offer merely the “stitching” in the increasingly plurilateral patchwork of international trade negotiations.

Second, the tenor of the debate in the rest of the region, at least in the larger countries, indicates that the only feasible response to these developments is to venture further and more quickly down the bilateral route as well: although for very different reasons, an acceleration of existing bilateral momentum is

increasingly advocated or evident in countries like Canada, Mexico and Brazil. If US bilateralism is undermining the prospects for an FTAA, then it would make sense to see a broader bilateralism pursued by other countries as likely to reinforce that process of undermining; moreover, it would strengthen the likelihood, in the event of an agreement, that the FTAA will indeed be articulated merely as a broad framework that serves to knit together the various bilateral processes.

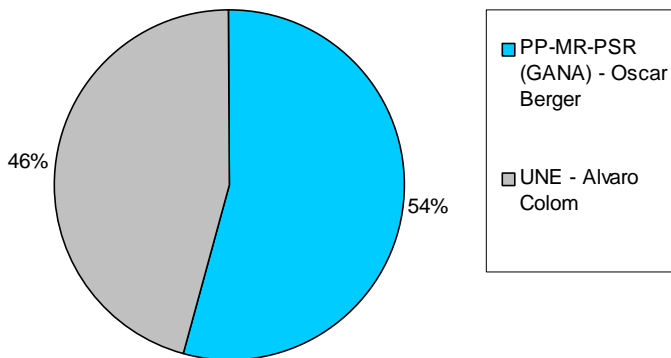
And third, the FTAA appears already to have reverted to the “NAFTA enlargement” template initially favoured by the US government but opposed by most Latin American and Caribbean participants and discarded very early in the FTAA negotiations. In this sense, the FTAA, as it is currently developing, represents precisely the hub-and-spoke type of regionalism that the US government has consistently sought in the Americas and a pattern of trade arrangements peculiarly in line with its interests and policy priorities – one which augurs profoundly negative developmental consequences for much of the region.■

Nicola Phillips is the Hallsworth Research Fellow at the University of Manchester in the UK, and is author, most recently, of *The Southern Cone Model: The Political Economy of Regional Capitalist Development in Latin America* (Routledge, 2004).



**Second Round of Presidential Election, Guatemala, 28 December 2003
(% of Valid Votes)**

Source: www.tse.org.gt



Berger's Ministers

Vice-President	Eduardo Stein
Agriculture	Alvaro Aguilar
Communications	Eduardo Castillo
Culture and Sports	Manuel Salazar Tezahuic
Defence	César Augusto Méndez
Economy	Marcio Cuevas
Energy and Mines	Roberto González
Environment and Natural Resources	Mario Dary
Foreign Affairs	Jorge Briz
Government	Arturo Soto
Public Finances	María Antonieta del Cid
Public Health	Marco Tulio Sosa
Work and Social Security	Jorge Lewis

Source: Prensa Libre, 08/01/04.

Guatemala's New President and the Challenges Ahead

Claudia Paguaga

On January 14, 2004, Guatemala swore in Oscar Berger as its sixth democratically elected president since the reinstatement of democracy in 1986. For Oscar Berger, this was his second attempt at reaching the presidency, after he was defeated in 1999 by Alfonso Portillo of the *Guatemalan Republican Front* (FRG). Winning under the *Grand National Alliance* (GANA) banner – a coalition of the *Patriotic Party* (PR), the *Reform Movement* (MR) and the *National Solidarity Party* (PSN) – President Berger promised as the main pillars of his administration to follow and implement the 1996 peace accords, to create jobs, eradicate poverty and corruption. However, even though Berger triumphed over Alvaro Colom of the *National Union of Hope* (UNE) with 54 percent of the popular vote, his party GANA does not have a solid majority in Congress (47 out of 158 seats) – something unknown in Guatemala since 1995 – which may pose problems if the opposition is unwilling to collaborate with the executive.

Oscar Berger inherits a nation of 11.3 million people of which approximately half are of indigenous background and 60 percent live in poverty and lack basic education and adequate health care. The nation is plagued by memories of its 36-year civil war (1960-1996) and the return to politics of its former dictator, Efraín Ríos Montt, who carried out the most violent campaign of the war against alleged insurgent movements during the 1980s and who maneuvered to become a presidential candidate in the first round of the 2003 elections (FOCAL POINT, July 2003). President Berger also inherits a country where corruption is synonymous with government, where former members of the *Patrullas de Autodefensa Civil* (community-based paramilitary groups) are demanding compensation for their services during the war and where human rights organizations are accusing and filing charges of genocide against Ríos Montt.

During his first two weeks as president of Guatemala, Oscar Berger has acknowledged the

challenges that await him and has outlined the policies of his government. At his inauguration, he emphasized, that his government would honour the peace accords by reducing the size of the military and by drafting former soldiers into the national police force (PNC) and prison service, which have been tainted by corruption and allegations of violent conduct (Latin American Newsletter 20/01/04). He also intends to encourage the investigation of corrupt officials and those accused of human rights abuses; adopt a new rural development strategy to bolster the economy; implement a pacto fiscal (economic plan) to reorganize public finances and reform the education system to improve its quality. Since taking office, Berger has signed a governability pact with the opposition and has appointed renowned individuals distinguished in their fields to key positions in his new cabinet. The governability pact was signed with the UNE and the National Advancement Party (PAN), which together had the majority of seats in Congress – 32 and 17 seats respectively – and leaves the infamous FRG (with 43 seats versus 96 for the pact) without the ability to stop the executive's legislative agenda. It is projected that the governability pact will last for two years (Latin American Newsletter 13/01/04).

In structuring his cabinet, President Berger drew on his experience as a businessman and appointed a team of businesspeople and technocrats to his cabinet – something that some see as contradicting his earlier statements about not favouring one sector over another. Berger also appointed Manuel Salazar Tetzagüic, an indigenous intellectual, as Culture Minister, Víctor Montejo, an indigenous anthropologist, as the Secretary of Peace and Frank LaRue, a candidate for the Nobel Peace Prize in 2004 and one of the country's most renowned human rights activists, as head of the Presidential Human Rights Commission. Similarly, on the human rights front, Berger has offered full support for the creation of the Comisión de Investigación de Cuerpos Ilegales y Aparatos Clandestinos de Seguridad (CICIACS) – a special commission that will investigate, arrest and prosecute individuals who are associated with illegal and clandestine security organizations. CICIACS was conceived in January 2003 as an initiative of the human rights prosecutor's office in Guatemala (PDH) to reduce the escalation of threats and attacks against human rights defenders, members of the judiciary, witnesses, trade unionists and other activists. It is expected that the Commission will become operative by March 2004.

Since the return of electoral democracy to Guatemala in 1986 and the signing of the peace accords ten years later, Guatemalans have elected governments that promised change but delivered little. The last four years are an example of how things can regress – under President Portillo the economy stagnated and crime and corruption worsened (FOCAL POINT April 2003). Therefore, it is important for President Berger to change the negative perception of “elected” presidents in Guatemala. It is important that the “waiting period” for achieving concrete results be short in order to restore confidence in the democratic system, which has been declining as a result of corrupt leaders and ill-fated policies. ■

Claudia Paguaga, FOCAL Analyst

Cuba's Internet Paradox: New Restrictions Amidst Ongoing Upgrades

Cristina Warren

In a move to clamp down on unauthorized use of the internet, the Cuban Ministry of Computing and Communications (MIC) introduced a law that prohibits internet access over the low-cost government phone service most ordinary citizens have at home. The law, which has been denounced by prominent human rights organizations such as Amnesty International, limits Internet access to those organizations, such as officially recognized businesses and government offices, that access the web through telephone accounts paid for in US dollars. The new resolution allows a number of officially authorized exceptions that will continue to be able to connect to the Internet from their homes and pay their bills in the national currency.

The new law essentially amounts to a clampdown on a growing group of users, semi-tolerated until now, who access the internet illegally from their home telephones, using passwords from their workplace or using computers and internet accounts they have borrowed or purchased in Cuba's active underground cyber-market. This move can be viewed as part of a broad trend against activities, particularly over the course of 2003, deemed illegal by Cuban authorities such as, for example, unauthorized private businesses, and the sale of houses.

The law in fact changes nothing for most ordinary Cubans who do not have authorized access to the World Wide Web. This access is limited to select government institutions, scientists, academics, the diplomatic sector and approved businesses and civil society organizations (through which many establish free international e-mail accounts such as Yahoo or Hotmail). Full internet access is also available at the main hotels, which offer this service in dollars to clients, as well as at a number of government-owned internet cafés.

Select access to the Internet has been the approach followed by the Cuban government

since it first introduced this new medium to the island. Decree Law 209, passed in June 1996 to govern Cuba's connection to the Internet, states that access would be granted "in a regulated manner...giving priority to the entities and institutions most relevant to the country's life and development."

Use of e-mail is much more common than use of the web. According to a report of the MIC, dated January 2004, Cubans hold more than 480,000 e-mail accounts (compared to 60,000 in 2001). Many of those with access to domestic or international e-mail can also access a government-controlled

intranet - officially approved web pages hosted on servers in Cuba with no direct connection to sites on the world wide web - through government jobs and schools. Cuba's post offices began to offer, in the summer of 2001, e-mail and intranet access priced in US dollars. This relatively widespread access to e-mail and intranet use, in comparison to full Internet access, reveals how the Internet is being used to improve bureaucratic efficiency and the provision of social services. One example of an intranet is *Infomed*, a medical information network operated by the Ministry of Public Health that connects medical centers around the country to such services as electronic journals and searchable databases.

At the same time, while Cubans cannot buy computers, printers, or faxes without official authorization, computers have been introduced in the education system, from elementary school to universities. According to MIC, there were 270,000 computers at the end of 2003. 58,800 of these computers are found in educational institutions.

Dissident and human rights organizations openly opposed to the regime, however, have little hope of gaining any Internet access. Most have their telephone calls regularly monitored and many have had computers confiscated by authorities. The Internet, however, has expanded the audience of these groups who send out information by phone or fax which is posted on websites abroad.

The past several years have also witnessed a considerable increase in the number of official web sites that have appeared on the Internet, reflecting a government priority to use this medium to project its image and point of view and to promote the use of electronic commerce in industries such as tourism that can generate hard currency. According to MIC, Cuba ended 2003 with approximately 1,100 ".cu" domains. Cuba's growing presence on the Internet, as well as the growing prevalence of this medium, has been facilitated by financial investments in telecommunications infrastructure in order to update the antiquated telephone network to a digital one.

Venezuela

Venezuelans must wait to find out whether a recall referendum on President Chávez's mandate will be called, as the National Electoral Council (CNE) continues to review the petitions submitted by both government supporters and opposition members late last year. According to the Venezuelan constitution, a recall vote is permitted halfway through the six-year presidential term if a petition with signatures from at least 20 percent (2.4 million) of Venezuela's electorate is approved by the CNE. The CNE began reviewing the signatures collected by the opposition on January 13, 2004, and is required to complete the review within 30 days. If a recall referendum is approved, Chávez's mandate could potentially be revoked if more than 3.7 million vote against him (i.e. more than the number of votes with which he was elected).

However, analysts increasingly suggest that Chávez will likely see out the end of his term in 2006. Although Venezuela continues to be politically polarized (between Chávistas and anti-Chávistas,) the government has slowly begun to implement some of the social programs it had initially promised. The economy, while still fragile, has also begun to show signs of slow recovery, most importantly in the oil sector. A recent survey by a pro-opposition polling firm, Datanalisis, found that a higher percentage (38.7%) of those polled were undecided as to whether they supported or opposed Chávez, than those who opposed him (33%), or supported him (25%) (Latin American Weekly Report, 01/13/04). This represents a significant decline in the polarization of the population from earlier polls and therefore a greater openness to accepting Chávez's continuity in power.

In response to growing tension over the pending outcome, and attempts by both *oficialista* and opposition representatives to undermine the credibility of the CNE, the Organization of America States (OAS) has requested that its referendum observers be given increased access to the CNE verification process, specifically to the technical committee responsible for the approval or rejection of petition signatures (CNN 01/06/04). President Chávez promised to respect the CNE's decision during a recent meeting with former US President Jimmy Carter. Whether both sides in fact accept the CNE's mid-February ruling will be an important indicator of the stability of democracy in Venezuela.

These seemingly paradoxical elements form the basic tenets of the Cuban government's strategy toward the Internet. While harnessing the Internet to serve a number of political, economic and social development goals, this approach also limits the medium's potentially subversive political effects by carefully circumscribing access. The government hopes that its new legislation will neutralize the growing internet black market which includes the design, production and placement of pages on websites outside of Cuba, advertising rental property, tour guides, and private restaurants, and provides a window to the outside world where ordinary Cubans can access alternate views and information. ■

Cristina Warren is Program Director of the Research Forum on Cuba.

Editorial

What is Paul Martin's Americas Policy?

Paul Haslam

From a Canadian perspective, the Special Summit was not only a home-grown initiative, but as the first major foreign event attended by Paul Martin, was also a unique opportunity for the new Prime Minister to expound his government's "new" foreign policy towards the Americas. To his credit, Martin's speech at the Special Summit underlined the combination of free-markets, effective and transparent regulatory and institutional frameworks, and appropriate social policies (social safety net, available education and health care) necessary for reducing inequality and poverty and restoring a balanced kind of growth to the region (PMO, 12/01/04). Likewise Martin showed himself to be open to an informal and unplanned dialogue with Canadian NGO's working on policy issues relevant to the Americas. On both counts, the Prime Minister's engagement with important issues and the now prevailing antipathy in Latin America towards the Washington Consensus were in marked contrast to the aloof and disconnected discourse of George Bush Jr.

But being more "in tune" with Latin America than the current US administration should not be viewed as a major achievement or an adequate substitute for a coherent Americas policy. A press release from the Prime Minister's Office (PMO) somewhat disingenuously entitled "Prime Minister sets out his agenda for the Special Summit of the Americas" made only two general remarks about Canada "playing a role" in the Americas, in contrast to much more specific elements of the US-Canada relationship which Martin pursued with President Bush in their face-to-face meeting (PMO, 11/01/04). It was also reported that Martin suggested to Bush that Canada's foreign policy be "independent but complementary" to that of the United States (Canadian Press, 20/01/04). The reality was that Monterrey for Martin was more about his American policy than a policy for the Americas.

Will this be the extent of Paul Martin's policy for the region? Although it is early days in the administration, and it may be too much to expect a new foreign policy to emerge fully-formed from Paul Martin's brow - especially in

the lead-up to a federal election when any changes would be more likely to lose than win votes - in all that is relevant to Latin America, the early indications suggest a broad continuity with the relative neglect that followed the departure of Foreign Minister Lloyd Axworthy in October 2000 and the explicit promotion of the "human security" agenda. That is to say that the broad contours of Canadian foreign policy towards the region, based on the support of the hemispheric multilateral institutions of hemispheric governance, the promotion of free trade (FTAA) and "constructive engagement" with Cuba will remain despite increasing evidence that, in some cases, their appropriateness may be in question.

But Paul Martin has an interesting idea, which could be applied to the Americas. He has called for a "leaders G-20" in which national leaders from both developed and developing countries could cut through the bureaucratic red-tape and problem-solve the challenges of globalization in a more informal and effective manner (PMO, 23/01/04; www.paulmartin.ca, 27/10/03). Indeed, one has to wonder if Martin was thinking of the Special Summit, when scarcely a week after Monterrey he criticized the process of summity while in Davos, Switzerland, arguing that such dialogue is,

"technocratic and indirect rather than open and free-ranging. It is often concerned more with preserving a process than with breaking new ground. It is a dialogue that, in the great international meetings, too often proceeds from set pieces read aloud - meetings that are closed to consultation from the outside - far too frequently closed to new ideas" (PMO, 23/01/04).

And yet, this is exactly where Canada has been putting most of its diplomatic talents in the Americas - into the bureaucratic processes at the OAS, IDB and Summits of the Americas. As previously argued by FOCAL POINT, Canada has largely ignored the face-to-face- dialogue between presidents and ministers that is the bread and butter of major initiatives and cooperation in the hemisphere (FOCAL POINT, January 2003). If Martin were to buttress existing important bureaucratic processes with high-level

FOCAL Abstracts

face-to-face dialogue with other executive office holders – as represented in his G-20 idea - it would be an important step forward in Canada's Latin America Policy.

Martin's G-20 idea also shows that the question of Canada's foreign policy towards the Americas is thus one of political will – a leader's will. As argued by John W. Graham and Ken Frankel, the Americas is one of the few regions of the world where Canada is both seen as a legitimate and a major player (Globe and Mail, 9/01/04). With a minimum investment of fresh resources, Canada could have a real diplomatic and ideological impact throughout the region. Playing does require a greater degree of financial and political commitment to building a hemispheric community than has recently been exhibited. And as Paul Martin himself has argued – the direct participation of national leaders in problem-solving and agenda-setting is crucial to give forward momentum to multilateral institutions. Without that political will, Canada's foreign policy towards Latin America and the Caribbean will continue to be set by the momentum of bureaucratic processes alone. ■

Paul Haslam, FOCAL Senior Analyst.

Nicaragua

In late January 2004, the government of Enrique Bolaños received news of what has been described as a "load-off" for his administration - the World Bank's International Development Association (IDA) and the International Monetary Fund (IMF) have agreed to provide debt service relief to Nicaragua under the enhanced Heavily Indebted Poor Countries (HIPC) initiative.

According to the World Bank, Nicaragua, one of the poorest countries in the hemisphere after Haiti, has completed the macroeconomic policies and structural reforms that are required under the framework of the HIPC initiative and is entitled to a 73 percent reduction of its total foreign debt. Both the IMF and the IDA will provide debt relief services of approximately \$US 4.5 billion, to be delivered through a reduction of debt service payments on credit granted from 2001 through 2023. Also, the IDA has approved a \$US 70 million, zero-interest balance of payments credit to Nicaragua under the Poverty Reduction Support Credit (PRSC), the objective of which is to improve the impact of government programs through effective public sector spending and improved donor coordination (WB News Release, 22/01/04).

Though debt forgiveness is not the long-term solution for Nicaragua, where 15 percent of the population lives in extreme poverty, it is a much-needed "step" that will, if used wisely, allow the government to free up resources to focus on its other priorities of improving the rule of law, bolster the economy, promoting and implementing basic education programs and continuing the fight against corruption.

Unfunded Mandates in the Western Hemisphere

Richard Feinberg

The Summits of the Americas are the highest form of multilateralism in the Western Hemisphere, but they lack their own bureaucratic instruments with which to implement the leaders' mandates. Hence, Summit Plans of Action assign many initiatives to existing regional institutions, especially the Organization of American States and the Inter-American Development Bank. Both institutions have advanced key Summit initiatives. However, while the OAS has become "nested" under the hierarchy of summitry, the IDB has eschewed subordination in favor of a "parallel" relationship pursuing largely convergent activities. For both regional institutions, there remains a wide gap between the many directives emanating from the Summits and what the two regional institutions have been able to accomplish. The study concludes with recommendations for improving Summit implementation:

- Summits should refine their "Plans of Action" to a leaner list of priorities that can be realistically implemented and where possible should be accompanied by measurable indicators of success;
- The IDB is gradually becoming more integrated into Summit preparations but more needs to be done to incorporate the Region's premier development institution into Summit preparation and implementation;
- The OAS should engage in a reform-for-resources bargain: further administrative reform as a condition for a bigger budget to carry out its Summit mandates;
- OAS and IDB cooperation on Summit implementation should be deepened and institutionalized.

Available online at:

<http://www.focal.ca/images/pdf/Unfunded%20mandates.pdf>

Summary of News Items Reported on Cuba 2003

Produced by the Canadian Foundation for the Americas (FOCAL)'s Research Forum on Cuba, the *Summary of News Items Reported on Cuba*, covering January - December 2003, is one of the most comprehensive summaries of news items related to Cuba available anywhere. The *Summary* is organized chronologically by key subject category, which include: Cuban domestic affairs, the economy, the exile community, foreign affairs, security, terrorism and US-Cuba relations.

You may access the 258-page *Summary of News Items Reported on Cuba 2003* or each thematic file separately directly from the Research Forum on Cuba website:

<http://www.cubasource.org/chronicles/summary03.htm>

You may access FOCAL's articles, comments and publications at:

<http://www.focal.ca>

The Canadian Foundation for the Americas (FOCAL) is an independent policy institute based in Ottawa that fosters informed analysis and debate and dialogue on social political and economic issues facing the Americas. We support a greater understanding of these issues in Canada and throughout the region. FOCAL was founded in 1990 and has a full time staff of 15 people. The Board of Directors provides a strategic guidance to the organization and its activities.

The ideas and opinions expressed in this electronic newsletter are those of the authors and do not necessarily reflect those of the Canadian Foundation for the Americas (FOCAL).

To subscribe or unsubscribe to this publication please send an email to: focal@focal.ca.



FOCAL

1, rue Nicholas Street,
Suite/Bureau 720
Ottawa, Ontario
K1N 7B7 Canada

Canadian Foundation for the Americas Tel/Tél : (613) 562-0005
Fondation canadienne pour les Amériques Fax/Téloc : (613) 562-2525
Fundación Canadiense para las Américas E-mail/Courriel : focal@focal.ca
Fundação Canadense para as Américas www.focal.ca

Copyright © FOCAL 2003

Who is FOCAL?

Board of Directors

Chair

John Graham, *Consultant*

Vice-Chair

Maureen Appel Molot, *Professor, The Norman Paterson School of International Affairs, Carleton University*

Secretary

Michael Bell, *Consultant, Justice Solutions Inc.*

Treasurer

Anthony M.P. Tattersfield, *Partner, Raymond Chabot Grant Thornton*

Executive Director

Donald R. Mackay, *FOCAL (ex-officio)*

Directors of the Board

Carmelita Boivin-Cole, *Consultant*

Winston Cox, *Deputy Secretary-General, Development Co-operation, Commonwealth Secretariat*

Paul Durand, *Ambassador & Permanent Representative of Canada to the OAS (ex-officio)*

Kenneth N. Frankel, *Partner, Torys*

The Honourable Mitchell Sharp, P.C., C.C., *Personal Advisor to the PM, Office of the Prime Minister*

Beatrice Rangel, *Senior Advisor to the Chairman, Cisneros Group Of Companies*

Elizabeth Spehar, *Executive Coordinator, Unit for the Promotion of Democracy, OAS*

Brian J.R. Stevenson, *Vice President International, University of Alberta*

Alan J. Stoga, *President, Zemi Communications*

Bob Anderson, *former Vice-President CIDA*

Jean Daudelin, *Assistant Professor, Carleton University*

FOCAL Staff

Donald R. Mackay, *Executive Director*

Sharon O'Regan, *Deputy Director*

Laurie Cole, *Inter-American Analyst*

Ana Julia Faya, *Cuba Researcher*

Paul Haslam, *Senior Analyst*

Florencia Jubany, *Senior Analyst*

Judy Meltzer, *Senior Analyst*

Claudia Paguaga, *Central America Analyst*

Cristina Warren, *Program Director, Research Forum on Cuba*

Miguel Guardado, *Financial Manager*

Diane Larabie, *Office Manager*

Patricia Pinciaroli-Gordon, *Internships/Events coordinator*

José Hernández, *Publication Manager/Webmaster*