

CURRENT HISTORY

February 2005

Vol. 104, No. 679

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"Latin America's political landscape, highly complex and variegated, defies easy categorization and raises fundamental questions—including whether it might be better to jettison the term 'left' altogether."

Latin America's Populist Turn

MICHAEL SHIFTER AND VINAY JAWAHAR

When Tabaré Vázquez won an impressive victory in Uruguay's presidential election on October 31, 2004, some newspapers could not resist proclaiming that the triumph solidified a wider, regional pattern. "Uruguay Completes the Leftward Realignment of the Southern Cone" was a typical headline. Given Vázquez's pedigree—the new president represents the Broad Front, a coalition of democratic socialists, communists, and former Tupamaro urban guerrillas—he fit right in with the region's other leaders: Ricardo Lagos, Chile's first socialist president in more than three decades; Luiz Inácio "Lula" Da Silva, Brazil's president from the leftist Workers' Party; and Néstor Kirchner, the Argentine president whose political roots can be traced back to the strand of leftism practiced by the Peronist party in the 1970s. The entire lineup now ruling the southern cone of South America exhibits strong "leftist" credentials.

Yet if this is Vázquez's—and the left's—moment, it is unclear just what that moment means. The broad category of "leftist" offers a variety of possibilities. The moderate, even orthodox economic policies that the Southern Cone's "leftist" leaders have recently undertaken contrast sharply with other variants of leftism found in Latin America. Cuban President Fidel Castro has of course largely embodied and practically defined the leftist label over almost half a century. Castro's revolutionary project centered on the radical reordering of Cuba's economy, marked by confiscation and nationalization of private property. And since coming to office in early 1999 as Venezuela's democratically elected president, Hugo

Chávez has often been described as a leftist, in part based on his close relationship with Castro and also because of his highly charged rhetoric.

Other so-called leftists, still aspiring to be presidents, include Bolivian indigenous leader Evo Morales and former Salvadoran guerrilla figure Shafik Handal. Few doubt that Nicaragua's Daniel Ortega, who formerly led the Sandinista regime in the 1980s, hopes to return to his old executive office, this time via the ballot. So does Peru's rehabilitated former president, Alan García, who governed in the late 1980s and in the past gladly embraced the leftist label. Curiously, even the president whom García hopes to succeed in 2006, Alejandro Toledo, has been depicted as a leftist, as has Ecuador's president, Lucio Gutiérrez.

In fact, Latin America's political landscape, highly complex and variegated, defies easy categorization and raises fundamental questions—including whether it might be better to jettison the term "left" altogether. Does "left" actually provide a useful handle for understanding the forces today shaping the region's politics, or for anticipating the policies that a president might pursue once in office? Does it capture what is happening in Latin America, or is it merely an artificial construct that obfuscates more than it illuminates? Are observers confusing a natural concern for acute social conditions, cast in markedly populist rhetoric, with "leftist" agendas? Or are "leftists" simply those who identify themselves as such?

THE REGION AND ITS DISCONTENTS

It is not surprising that Latin America has been undergoing political ferment in recent years. Economic and social progress has been meager, and expectations for a better life have largely not been met. Over the past 25 years the only Latin Ameri-

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can country that has witnessed a significant increase in its real per capita income has been Chile. Regionally inflation has successfully been brought under control, and most governments have exercised fiscal discipline. But the results of economic recipes applied throughout Latin America—contained in the so-called Washington consensus and advocating greater privatization and liberalization—have been disappointing.

It is hard to discern coherent proposals and policies that could constitute a viable, alternative approach to the prevailing economic model in Latin America. The region has witnessed greater concern for the urgent social agenda and appeals to the popular sectors of society—traditionally excluded and recently mobilized—not only in Lula's Brazil, Lagos's Chile, and Chávez's Venezuela, but also in Álvaro Uribe's Colombia and Vicente Fox's Mexico. Unsettled national politics have combined with a perceptible tendency across the region to resist pressure from the world's only superpower, the United States, and an attempt to chart a more independent economic and political course. But an effort to tackle thorny social problems with practical solutions, coupled with a more autonomous foreign policy, is a far cry from leftism—at least as generally understood and practiced in Latin America.

It is now common to point out that, consistent with global trends, most Latin Americans are increasingly unhappy with politics as usual and are seeking new political options. Since 1995, *Latino-barómetro*, the public opinion survey carried out by a Santiago-based organization, has shed light on this public disenchantment. Dissatisfaction with government performance in a number of critical areas, especially the provision of economic and physical security, has grown considerably. Unemployment, crime, and corruption typically top the list of public concerns.

At the same time, there is little evidence that Latin Americans are systematically rejecting either the principles that underpin the democratic system or the market economy. In fact, in 2004 *Latino-barómetro* reported that some 56 percent of the region's respondents favor the market economy. It is true that the prescriptions associated with the Washington consensus—distinct from, or at least a subset of, the market economy—have yielded unfavorable results for most Latin Americans. Rates of poverty and inequality, long the region's Achilles heel, have remained stubbornly stagnant, or have deteriorated.

Only in 2004—ironically, the same year that the leftist label seemed to acquire greater appeal in

Latin America—was overall economic performance reasonably robust. The 5.5 percent growth rate for the year was the region's highest for several decades. Experts attribute the performance mainly to favorable commodity prices, the extraordinarily high demand from China, and the fact that statistics for many of the region's key countries—Argentina and Venezuela, most notably—had risen from an extremely low base. Whether a similar growth rate can be sustained in 2005 and beyond, and whether it will effectively translate into more balanced and equitable development, remains a key question.

If Latin Americans show few signs of being eager to abandon the market economy, they do appear keen to soften the rougher edges of policies commonly associated with the Washington consensus. The substantial scaling back of an array of government functions in the 1990s is widely viewed as having gone too far, and is therefore in need of redress. Perhaps most alarmingly, the privatizations that took place in a variety of sectors, while not objectionable in principle, were accompanied by high levels of corruption and significant social strains. The protests triggered by the attempted privatization of electrical companies in Arequipa, Peru, in 2002, or the popular mobilizations in Bolivia surrounding the fight for control over water in 1999 and gas in 2003, should be construed as demands for honest government and rightful sharing of wealth. But they do not necessarily reflect a defense of state-owned and operated enterprises.

PRESCRIPTIONS AND POLITICS

Indeed, the problem is less the prescriptions for liberalizing economies than the fragile governance structures in most of Latin America that have proved ill-equipped to accommodate and sustain such reforms. To succeed, privatization of state enterprises and assets needs to be well managed politically, and in many of the countries where it has occurred, regulatory frameworks and oversight mechanisms were manifestly deficient. Political parties and their leaders have failed to modernize government structures and properly prepare them to handle these important reforms. As Human Rights Watch and other respected groups have regularly reported, adherence to the rule of law sadly remains more the exception than the norm in much of the region.

Despite the prominence of rule of law in political speeches and on policy agendas, corruption is

still a profound and vexing problem. Last year public opinion regarding this issue became highly galvanized in two of Latin America's most unlikely countries: Costa Rica and Chile. Both had long enjoyed reputations as having relatively clean governments, exceptions in a region where corruption is rampant. In Costa Rica, two former presidents, Rafael Ángel Calderón and Miguel Ángel Rodríguez, were charged with having engaged in corrupt practices during their administrations. (Rodríguez was forced to resign as secretary general of the Organization of American States just two weeks after assuming the post, causing enormous embarrassment for the organization and the region.) Similar allegations of corruption were also brought against another former Costa Rican president, José María Figueres.

In perhaps the most notorious case, former Chilean President Augusto Pinochet, long accused of having presided over massive human rights violations, was recently found to have accounts holding millions of dollars at Riggs Bank in Washington, DC. The exposed impropriety further disgraced Pinochet, even among his previous supporters, opening the way for judicial prosecution of past crimes. While these cases highlighted public concern about corrupt activities and the ability of the judicial systems to respond, at least in Costa Rica and Chile, they also seriously tarnished the image of both countries.

Although political and public sector institutions in Latin America are generally held in low regard, polls consistently show that most citizens want democracy to work. A majority of respondents in the region recently agreed with the statement: "A democracy is preferable to any other form of government." A major United Nations Development Program report in 2004 revealed that many in the region could well be tempted by a more authoritarian option if it better addressed their economic and social needs. But it is far from clear whether that is the fundamental choice citizens are likely to confront. (For that matter, it is far from clear whether, faced with a similar choice, citizens of advanced Western democracies would express a significantly different opinion.) The critical, often frustrating task is to devise more effective policies to address complex economic and social problems within the democratic framework.

Exaggerating the challenge posed by "leftist" governments would only harm the quality of inter-American relations and prove extremely counterproductive.

THE SOUTHERN CONE'S PRAGMATISM

In this regard, the experience of the Southern Cone countries is instructive. Compared with much of Latin America, the political contours of the Southern Cone countries are substantially smoother. This is particularly so in the case of Chile, increasingly in Brazil, and is even evident in Argentina. Although leaders in all three countries have been called leftists, they are pursuing policies that blend a market economy and democratic politics. At the same time they are attempting to give higher priority to the long-pending and formidable social agenda—at least rhetorically and, when possible, through concrete actions. As in the case of Uruguay's Vázquez, their ascension to the presidency can in part be attributed to the electorate's perception in the three countries that social policies would be at the top of these leaders' agendas. In addition, Lula's Workers' Party, like Vázquez's Broad

Front, had ample experience at the local level and had demonstrated its capacity for effective governance.

In Latin America generally, Chile is widely regarded as the premiere success story, having

forged a broad consensus and fashioned a recipe for democratic stability and relatively broad-based economic growth. Following the end of the Pinochet regime in 1989, Chile has had three successive governments of the Concertación de Partidos por la Democracia, or Coalition of Parties for Democracy, the latest headed by Ricardo Lagos. Under Lagos, the country's first socialist president since Salvador Allende in the early 1970s, Chile's economy has grown admirably and poverty levels have continued to decline. Income inequalities remain a huge problem, although Lagos, building on his Concertación predecessors, has sought to reduce the gap between rich and poor through progressive social policies, particularly education reform.

Sergio Bitar, the education minister in the Lagos administration and the only member of the current cabinet to have also served in the Allende government (he was then minister of energy and mines), perhaps best epitomizes the dramatic evolution of "leftism" in Chile, and in Latin America, over the past three decades. Bitar is directing an ambitious program known as "English Opens Doors" that seeks to make all of Chile's 15 million people fluent in English within a generation. Although the effort

has aroused some questions because of its excessive identification with the United States, Bitar has emphasized its democratic character, describing it as “an instrument of equality for all children” in Chile. And as *The New York Times* reported in December 2004, “that argument seems to resonate deeply with working-class families eager to see their children prosper in an increasingly competitive and demanding job market.”

LULA'S ACCOMMODATIONS

While a comparable program would be politically unpalatable in Brazil, where anti-American sentiment is more pronounced than in Chile, Lula of the Workers' Party has pursued markedly orthodox market-friendly economic policies as well. In 2004, Brazil's economy grew by over 5 percent, and Lula's support correspondingly rose—above 65 percent as of December 2004, according to one poll. Lula's policies have been regarded by some as a betrayal of his professed radical stance, and have created fissures within his own party. But Lula has responded pragmatically to a national and global context that leaves little margin for radical policy experimentation, and has tempered his goals accordingly. Midway through his term, Lula has achieved noteworthy political success, and is in a strong position—provided current trends continue—to win reelection in 2006.

Curiously, supporters of the previous, more centrist government of Fernando Henrique Cardoso have criticized the former metal worker for failing to push Brazil's social agenda sufficiently. Lula's social programs, including health policy and agrarian reform, along with the much touted “zero hunger” initiative, have so far failed to generate much enthusiasm or yield important results. In a region anxious for answers to complex social problems, the timidity and moderation of the greatest hope for “leftist” renewal in Latin America's largest country have broad and significant political implications.

Internationally, the Lula government has also been, to the dismay of some, notably accommodating and pragmatic. Lula has devoted considerable energy to going beyond the Southern Cone trade group known as MERCOSUR and seeking to construct a South American trade bloc—to some degree as a counterpoint to the United States. But this effort has

been fraught with difficulties and has gained little traction. The Lula government has, however, successfully built on the efforts of the Cardoso administration and has made important inroads in its campaign to secure a permanent seat on the United Nations Security Council. Perhaps most noteworthy has been the Lula government's fine standing with Wall Street, the IMF, and the rest of the international financial community because of its sound macroeconomic management and performance.

In trade policy, too, Washington and Brasilia have been able to work together constructively. Following the sharp disagreements and tensions—chiefly around the issue of agricultural subsidies in the United States—that accompanied the September 2003 trade talks in Cancún, Mexico, the two governments made headway in narrowing their differences in 2004. At the conclusion of the Doha round of global trade negotiations in Geneva in July

2004, US Trade Representative Robert Zoellick praised Brazil's interest in pursuing common ground with the United States.

An effort to tackle thorny social problems with practical solutions, coupled with a more autonomous foreign policy, is a far cry from leftism.

And at the Asia Pacific Economic Cooperation meeting in Santiago in November 2004, Zoellick appeared more sanguine about the prospects for reenergizing the stalled process for creating a Free Trade Area of the Americas—a shift based in part on having developed a better understanding with the Brazilians.

RECOVERY IN ARGENTINA

In contrast with Lagos or Lula, Argentine President Néstor Kirchner has taken a more critical stand toward the prescriptions advocated by the international financial community. In particular, Kirchner has strongly disagreed with the position taken on his country's substantial foreign debt by the IMF and has refused to be rushed into signing a debt-schedule agreement. So far, Kirchner's gamble seems to be working. Argentina's economy has recovered spectacularly from its meltdown in late 2001 (growth in both 2003 and 2004 was 8 percent), and Kirchner has benefited politically from his defiant, independent posture. His resistance to the IMF's demands has been reinforced by other gestures in protecting human rights and fighting corruption that have similarly yielded political dividends.

Nonetheless, it would be a mistake to overstate Kirchner's deviation from the policies pursued by Lagos and Lula. Despite strong disagreement on debt rescheduling, Kirchner's management of the economy has been, on the whole, fairly orthodox. He has carefully eschewed any public spending that could risk another bout of high inflation. There are budget surpluses at both the central and provincial levels. And private investment in Argentina—by the Chinese and South Koreans, other Latin Americans, and Argentines themselves—is on the rise. Judged by historical standards, and by some of the rhetoric coming from the Kirchner administration, these policies show considerable pragmatism, moderation, and acceptance of the tenets of the market economy. In neighboring Bolivia, unfortunately, the situation is slightly more unsettled.

BOLIVIA'S TURBULENT POLITICS

Few recent elections in Latin America have so eloquently illustrated the breakdown of ossified and discredited political institutions as did Bolivia's municipal elections in October 2004. In that vote, the country's traditional political parties imploded, and new and independent political forces emerged on the scene.

Morales, the indigenous leader who has successfully extended his support beyond his original base of coca growers, gained some ground in the vote (although his party did not win in any of Bolivia's 10 largest cities). More than any other figure, Morales, who just barely lost the presidential election in 2002, symbolizes the aspirations of the country's majority indigenous population, and underscores Bolivia's highly complicated, fluid, and precarious political landscape.

The man now in charge of the executive office, Carlos Mesa, struggles to maintain order and hold the country together until the next elections, which are scheduled for 2006. Mesa, who has no political party base, had been vice president before moving into his current post following the forced resignation of Gonzalo Sánchez de Lozada in October 2003. The mounting social protests and accompanying violence sparked by the proposed export of Bolivian natural gas—compounded by the fact the gas would be routed through Chile, a country that Bolivia has had a sensitive relationship with for more than a century because of the “War of the Pacific” that stripped Bolivia of access to the sea—highlighted the frustration among many poor Bolivians. The protests also reflected these groups' heightened ability to organize on behalf of their

interests, and rendered the Sánchez de Lozada government unsustainable.

Although Mesa gained some breathing space with a national referendum on the gas question in July 2004, the respite has proved short-lived. His ambivalence and tendency to postpone key decisions have generated mounting suspicion with radical national groups and foreign investors alike, with both pressing for more favorable, friendly policies.

Underlying Bolivia's agitated politics and uncertain future is the need to find practical ways to balance a more just distribution of resources with a formula for sustained growth. In key respects, Morales, with his emphasis on social justice, comes closest to the classic definition of a leftist. But in such a transformed context, where Morales is seeking to construct a more hospitable institutional order for more equitable economic development, even he resists that label.

Some analysts believe that Bolivia could split into two separate entities: the overwhelmingly poor, indigenous altiplano; and the more modern and industrial lowland region centered in Santa Cruz. These predictions may be overstated, but some change in the prevailing, highly skewed order is inevitable and desirable, given the mostly legitimate demands of a previously excluded majority. Whether the constitutional assembly planned for 2005 will help find the right mix and satisfy key constituencies is unclear.

VENEZUELA'S DISSENTING VOICE

As Bolivia struggles to find its footing and move forward, Venezuela, after six years under Chávez, has set out on a dramatically different path. Cuba aside, Venezuela is the Latin American country that has most sharply deviated from the regionwide acceptance of the market economy and the principles of liberal democracy. Evidence can be found mainly in Chávez's own rhetoric, with its harsh condemnation of capitalism's ills and free trade and what he calls the “rancid oligarchy” associated with Venezuela's previous civilian, constitutional governments. Chávez has been especially unsparing in his remarks about the nefarious role of US imperialist designs in the world and Washington's presumed determination to impose its own economic and political model on weaker governments and societies. Chávez has also resisted the expanding notion of sovereignty—that setbacks in democratic progress are matters of hemispheric concern—which has gained considerable ground in the region since the end of the cold war.

The Venezuela factor is especially significant regionally. First, the country's social and economic conditions have deteriorated more dramatically than in any other Latin American country over the past two decades. This decline can be attributed to widespread mismanagement and corruption along with excessive reliance on petroleum. As a result, Chávez's charged discourse becomes more compelling, and has wider resonance. Second, with oil prices rising toward \$50 per barrel, Chávez has money to spend, and corresponding political muscle, which makes him an important player in hemispheric affairs.

Still, whatever the rhetoric, it is hard to make the case that Chávez is steering a markedly revolutionary or even "leftist" course in the traditional sense of that term. He has welcomed foreign investment in the petroleum sector. Since investors are generally making money, one hears few complaints: provided the oil is flowing, Wall Street is pleased. In this regard, Chávez has been quite shrewd, since he calculates that any political pressure in response to his more authoritarian measures will be tempered by recognition that he is courting foreign investment in a strategically important industry. More radical actions such as land reform have been carried out half-heartedly at best. State-led attempts to instill revolutionary fervor and fashion a "new man" have an anachronistic quality to them, and suggest more posturing and experimentation than a serious effort at sustained, institutional transformation.

It is questionable, moreover, whether Chávez's tightening grip on Venezuelan institutions, and the growing presence and political role of the military, can properly be seen as reflecting a "leftist" orientation. They suggest instead a conscious attempt by the Chávez government to consolidate control and amass power. The president has continued to build on the momentum of a failed April 2002 coup against him (which enabled him to solidify control over the military) and a general strike in early 2003 (which allowed him to further dominate the state petroleum enterprise). In 2004, Chávez emerged stronger than ever after he defeated an August referendum aimed at removing him from office. He has subsequently achieved greater international legitimacy.

With an opposition disoriented and in disarray, Chávez gained further ground in local elections in October 2004, and seems likely to do as well in congressional elections later this year. Also in 2004, Venezuela's Chavista-led legislature passed bills that pack the Supreme Court and authorize

the government to determine whether radio and television programs meet standards of "social responsibility." Concerned about the ominous climate in Venezuela, the Inter-American Commission on Human Rights noted that such measures further undermine judicial independence and risk the onset of government censorship of the media. None of this, however, makes Chávez a leftist. (For similar transgressions, Russia's Vladimir Putin is called a rightist.)

The Chávez government's displays of concern for the poor—and occasionally virulent attacks against a popular target like the United States—no doubt resonate among certain sectors throughout the region. Chávez's control of ample resources also makes him highly attractive, and will likely enhance his power and ability to cause mischief in an already unsettled Latin America. But the essential features of the Chávez model, which is likely to continue in force at least until presidential elections in late 2006, hold little appeal for a region searching for viable alternatives and practical solutions to problems.

THE TEST FOR WASHINGTON

Whatever the actual policy orientation that prevails in Latin America, it is undeniable nevertheless that the leftist banner in recent years has been politically wise and effective. This can be attributed in part to the failure of previous governments, many of which could be regarded as "rightist," and the generalized sense of frustration and disappointment that pervades the region. At the same time, the political rhetoric—much of it with a populist flavor—that has recently been heard in Latin America is inseparable from a growing distrust of, and resistance to, the United States.

Although such a reaction to US power has historically been evident, the region's current resentful mood has been compounded by several factors. One is a sense that the United States has been disengaged from Latin American concerns—even by historical standards. The gap between the rhetoric coming from Washington and the actual US commitment to the region is striking. So, too, is the gap between the agendas and priorities of the United States and those of Latin America. Indeed, the disconnect has seldom been greater. In this regard, the climate significantly shaped by Washington's preoccupation with the war on terror—and particularly with what is widely regarded as a disastrous military adventure in Iraq—has only aggravated the strain.

Against the backdrop of a region whose politics are especially sensitive to the words and actions that emanate from Washington, it is crucial to have a nuanced appreciation of Latin America's differentiated political landscape. Exaggerating the challenge posed by "leftist" governments would only harm the quality of inter-American relations and prove extremely counterproductive. Washington's excessive concern about Ortega's potential return to power in Nicaragua, for example, suggests a hang-over from the cold war mindset.

To its credit, the United States has generally understood and supported the pragmatism displayed by leaders like Lagos and Lula. One of Lagos's chief accomplishments, after all, was the signing of a free trade agreement with the United States in December 2003. Despite differences over Iraq policy and some attendant friction, relations have been excellent between the Bush administration and Chile's socialist president, who presides over the region's most robust economy and most stable democracy. Similarly, Washington has not treated Lula as the threatening leftist some initially feared he would become. There have been differences, some of them rather sharp, over trade and other matters, but in general a sense of mutual accommodation has dominated. One would expect that a similar relationship may greet the new Uruguayan administration led by Vázquez.

Washington's relationship with Chávez's Venezuela has been far more problematic. Indeed, Chávez poses a vexing policy challenge for the United States. As in other situations throughout the world, the dilemma is how to reconcile a pragmatic relationship that takes into account a vital interest—Venezuela provides about 15 percent of US oil imports—with serious concerns about the erosion of democratic practices and safeguards within the country, and with the leader's support (at a minimum, financially) for political forces that oppose US interests. Washington so far has lacked a thoughtful, strategic approach in dealing with the Chávez government. Its overly reactive posture has resulted in major, costly blunders,

such as its initial support of the April 2002 coup against Chávez. Washington needs to do a better job of thinking through how to balance conflicting policy goals and of consulting more systematically and at higher levels with other key Latin American governments. Otherwise, it risks repeating mistakes and further fueling anti-American sentiment throughout the region.

The situation presented by Bolivia's fluid and complicated politics is less clear-cut and poses another severe test for Washington. It may be tempting to regard Morales, who has fiercely opposed US drug policy and has been denied a visa as a result, as a threat to democratic stability in the region. But common sense would suggest an effort to engage such figures and understand their objections to a policy that has destroyed the livelihoods of many coca growers and their families. What is striking in the case of Bolivia is not only that Washington's criticism of Morales has boosted him so much politically but also that the Bush administration failed to support a loyal ally like Sánchez de Lozada when he requested additional aid in 2002. If Washington had been more responsive—and less shortsighted—the collapse of his government might have been averted.

LEAVING "LEFT" BEHIND

Whatever governments are in place in Latin American countries—and whoever is in charge—they must deliver concrete results for broad sectors of the population that have not seen much, if any, improvement in their well-being in recent years. Absent such results, citizens will again become frustrated and will inevitably be drawn to different political banners. (Meanwhile, it is worth noting that none of the five Central American countries could even remotely be considered left.)

There are many obstacles to attaining effective performance. In Latin America, retiring buzzwords such as "left" and focusing instead on practical solutions to difficult problems would be a welcome step forward. ■

“Without clear and concerted engagement and a recognition that the consolidation of democracy in Latin America is far from a foregone conclusion, Washington will be unable to regain the momentum for progress lost over the past four years.”

Beyond Benign Neglect: Washington and Latin America

ARTURO VALENZUELA

In the years after the end of the cold war, the administrations of Presidents George H. W. Bush and Bill Clinton moved to implement a new agenda for the Western Hemisphere. This included helping to end the civil conflicts in Central America that had raged during the 1980s and embarking on a concerted initiative aimed at liberalizing trade, implementing economic reforms, protecting and strengthening democratic institutions, resolving border disputes, ensuring security, and addressing transnational challenges such as drugs and migration flows.

The United States shifted the definition of its interests in the region from containing the spread of communism to working to promote political stability, security, prosperity, and trade. It did so by seeking to strengthen multilateral frameworks for cooperation while minimizing unilateral actions. Washington attempted to set a tone of mutual engagement and respect largely absent in the long, often testy relations between the hemispheric superpower and its southern neighbors.

Out of this engagement came the negotiations for a North American Free Trade Agreement (NAFTA) and the subsequent Summit of the Americas process. That process, which brought together all the hemisphere's heads of state, led to negotiations for a Free Trade Agreement of the Americas (FTAA), the forging of a Convention against Corruption, the strengthening of the Organization of American States' ability to come to the collective defense of

democracy, and the establishment of a multilateral system for gauging progress on drug eradication.

CRISIS MANAGEMENT

The new framework for hemispheric cooperation also contributed to the development of collaborative mechanisms to address specific regional crises. After the signing of NAFTA, US interests and the well-being of countless Mexicans would have been severely affected had the Mexican peso crisis of late December 1994 been permitted to spin out of control. In one of the most important actions of his presidency, Clinton made use of broad executive powers to configure a massive support package for Mexico, combining funds from the United States and international financial institutions, to bolster the value of the peso. In an era of globalization of international financial markets, the United States also helped structure a financial assistance package for Brazil in 1998, thereby averting a serious downturn in Latin America's largest economy, which had weathered with difficulty the shock of the Asian financial crisis the previous year.

Similarly, US leaders worked closely with their counterparts in the region and through the OAS to address political crises. After the military coup that overthrew Haitian President Jean-Bertrand Aristide in 1991 and the “self-coup” by Peruvian President Alberto Fujimori (who closed Peru's Congress with support of the armed forces), the elder Bush's administration sought ways to reestablish constitutional rule together with other governments and the Organization of American States. When an embargo endorsed by the OAS failed to restore democracy in Haiti, the newly elected Clinton administration, backed by a United Nations mandate, moved to restore Aristide to office. Facing

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challenges to democracy in the Dominican Republic, Guatemala, Ecuador, Paraguay, and Peru, hemispheric leaders, working in coordination with the OAS, succeeded in preventing overt military involvement in politics and maintaining constitutional order.

Finally, despite a significant decline in resources for bilateral assistance to the region, the Clinton administration struck a deal with the Republican-controlled Congress to provide increased support for Colombia in its efforts to fight insurgents financed by the profits of illegal drugs sold in the United States and Western markets. Washington also sought to “internationalize” support for Colombia and the Andean region in Europe and the hemisphere.

DISAPPOINTMENTS, DIVERSIONS

Irritants did remain in inter-American relations despite the new tenor of engagement. Latin American leaders, who had pressed strongly for the free-trade agenda in the summit process, were disappointed when President Clinton was not able to obtain fast-track negotiating authority from Congress, which would have permitted the conclusion of a free trade agreement with Chile and given impetus to the FTAA process. At the same time, officials and the public viewed as arbitrary and patronizing congressional requirements that the president annually certify the degree of individual country cooperation with the United States on drug eradication efforts in order to receive US assistance.

US attention to the former Soviet Union and crises in the Balkans, the Middle East, and Haiti also diverted resources that were needed to support the ongoing peace process in Central America and help address the challenges faced in the Caribbean and the Andes. Meanwhile, Congress, taking its cues from Republican Senator Richard Helms, the chairman of the Senate Foreign Relations Committee, showed reluctance to engage the world by committing funds for foreign assistance and the operation of multilateral institutions.

On assuming office in 2001, President George W. Bush promised to further increase US engagement by making the Western Hemisphere the highest priority of the new administration’s foreign policy, underscoring his skepticism with the foreign policy activism of the Clinton administration in the Balkans and the Middle East. Placing a particular focus on Mexico, the first foreign country he visited after the election, the new president signaled a willingness to forge new ground on immigration pol-

icy, while picking up on the stalled FTAA process and continuing anti-drug efforts in the Andes.

Leaders throughout the Americas welcomed the Bush administration’s declared commitment to the hemisphere at a time when much of the initial enthusiasm with economic and political reform had lost its luster. With some notable exceptions, economic reversals and weak and inefficient governments had seemed to leave many states incapable of addressing the persistence of massive poverty and increased inequality. With Washington’s renewed focus on the region many leaders hoped that the negative trends could be reversed.

THE SOURCES OF ILL WILL

As the Bush administration prepares to embark on its second term in office, what is the verdict in the region on the president’s first four years?

Judging from public opinion surveys, editorial opinion, and the private views of high-ranking officials throughout Latin America, the reelection of President Bush was not welcome news. This fact places considerable pressure on the administration as it moves to redefine its policies toward the region in the months ahead. A Zogby poll of elite opinion conducted for the University of Miami in 2002 showed that 87 percent of the leaders polled had an unfavorable opinion of President Bush’s performance and only 12 percent felt that he was making a good or excellent effort in dealing with the hemisphere. A September 2004 poll of mass public opinion by the Program on International Policy Attitudes at the University of Maryland confirmed that displeasure with Bush’s international policies had contributed to a sharp drop in positive perceptions of the United States.

Indeed, 78 percent of Mexicans claimed that US foreign policy had led them to view the United States unfavorably, while only 18 percent said that they had improved their estimation of their neighbor to the north. This pattern was repeated in Brazil (66 percent to 17 percent), Argentina (65 percent to 5 percent), and Uruguay (51 percent to 5 percent). By smaller margins, sentiments toward the United States had deteriorated in the Dominican Republic (49 percent to 37 percent), Colombia (44 percent to 29 percent), Bolivia (38 percent to 14 percent), and Peru (27 percent to 20 percent). The only country where views of the United States resulting from Washington’s foreign policy were virtually tied was Venezuela (34 percent to 33 percent)—reflecting the polarization in that country and the perception that the Bush administration

was more partial to the opposition than the Hugo Chávez government. It is not a coincidence that in all the countries surveyed, respondents favored the election of John Kerry over George W. Bush in 2004 by large margins.

How should we account for such sentiments? They are clearly not related to the fact that the United States had to focus its attention on the terrorist threat after the attacks on the World Trade Center and the Pentagon on 9-11. The attacks elicited an unprecedented outpouring of sympathy and solidarity with the United States, and few questioned the wisdom of the retaliatory war on Al Qaeda and the Taliban.

Much of that goodwill was dissipated when the United States decided to go to war against Iraq without obtaining the sanction of the UN Security Council. The administration's invocation of a doctrine of preemptive war provided unsettling reminders of the days of unilateral US intervention in the internal affairs of countries in the Western Hemisphere. It was viewed as a repudiation by the United States of efforts strongly supported by Latin Americans over several decades to establish and con-

solidate international institutions and international law as a way to encourage the peaceful resolution of conflicts in the conduct of international affairs.

Both leaders and mass publics strongly approved of the position taken by Mexico and Chile, the two non-permanent members from the Americas on the UN Security Council, whose representatives joined the council majority in opposing a vote authorizing war in Iraq. Despite enormous pressure from the United States to support a second resolution sanctioning a US-led war against Saddam Hussein, both countries argued that there was inconclusive evidence of the existence of Iraq's reconstituted weapons of mass destruction and that UN inspectors should be allowed to continue their work before force was authorized. Chile and Mexico believed with the council majority that the work of the United Nations had "contained" the military threat posed by Iraq. Chile did propose a compromise resolution providing for specific benchmarks and timelines for Iraqi compliance before war could be authorized, only to be publicly rebuffed by a White House intent on going to war.

PRESSURES AND PUNISHMENTS

Adding insult to injury was the US administration's reaction in the aftermath of the Security Council's failure to give a green light to Washington's military intentions. Viewing the stand taken at the UN by the two Latin American countries as a betrayal of friendship, President Bush refused to take Mexican President Vicente Fox's phone calls and pointedly declined to reopen the promising discussions initiated with Mexico on immigration reform. The signing of a free trade agreement between Chile and the United States on June 6, 2003—originally one of the high points of administration policy in the region—was consigned to a ministerial level event in Miami while Singapore, which openly supported the United States in Iraq, celebrated its trade-pact-signing a month earlier in a White House ceremony.

At the same time, the administration placed strong pressure on Colombia, the largest recipient of US aid in the hemisphere, and several Central

American countries to endorse and support US actions as part of the "coalition of the willing" in the Iraq War. Colombia and Costa Rica joined the coalition, and

The administration will have to move beyond the talking points of the 1990s—that the hemisphere's problems can be solved with "trade not aid."

Nicaragua, Honduras, El Salvador, and the Dominican Republic made small troop commitments, although only El Salvador continued to maintain troops in Iraq at the beginning of President Bush's second term in office.

Pressure to support the war coincided with additional entreaties to sign bilateral immunity agreements with the United States. Through these agreements countries that are signatories to the International Criminal Court (ICC) would pledge not to surrender US citizens within their jurisdiction to the court, lest they lose US military and non-military assistance, much to the annoyance of leaders throughout the region who chafed at these tactics and for the most part refused to abide by them. Small countries in the Caribbean that had strongly supported the ICC were particularly incensed at this pressure and chose to rebuff the United States, thereby jeopardizing significant bilateral assistance.

Revelations of widespread abuse of prisoners in Iraq and at the US facility at Guantánamo Bay, at the hands of US personnel and in contravention of the Geneva accords, further tarnished the image of the United States. It also undermined the administra-

tion's argument that American citizens should be immune from prosecution before the ICC because the United States adheres to the highest standards of justice and simply fears the political prosecutions of its citizens. In an era when heads of state and top officials meet frequently and are scrutinized by ubiquitous mass media, the elements of a foreign policy based on retribution and arm-twisting became widely known, contributing further to the image of the United States as a bully on the world stage.

WASHINGTON'S HEAVY HAND

Problems with Washington during President Bush's first term did not stem exclusively from dissent over the war in Iraq and pressure to fall in line with US global objectives. Although professing goals in the hemisphere similar to those espoused by his father and President Clinton—continuing the Summit of the Americas process, making headway on regional free trade agreements, and supporting Andean counterdrug activities—Bush took a decidedly different approach to managing regional crises, notably in the cases of Argentina, Venezuela, Bolivia, and Haiti, all of which tarnished Washington's image in the region. The handling of these crises tended to overshadow administration accomplishments, including renewed anti-corruption initiatives, improved cooperation on security matters, and progress on trade as evidenced by the pact with Chile and the successful negotiation of a Central American Free Trade Agreement, still subject to ratification.

From the outset, the US Treasury Department made it clear that it viewed support for countries in financial difficulties as a "moral hazard" problem—that is, the US taxpayer should not be called on to bail out investors who made poor choices, even if it means that a country's financial system might collapse. Argentina was caught in a particularly vicious circle. Having pegged its currency to the dollar, the country became increasingly uncompetitive in world markets, particularly after Brazil devalued. As the cost of servicing its debt skyrocketed and the government found it politically untenable to implement further austerity measures, it was only a matter of time before pressure on the currency would lead to devaluation and render payment on dollar-denominated debt virtually impossible. Although Washington reversed its stand and sought at the last minute to prevent the collapse of the Argentine economy by structuring a financial support package in 2001, that support was too little and too late. It also came without a concerted and well-crafted

effort to engage Argentine authorities in a joint strategy to help cushion the economic crisis.

Contrary to the assumptions of US policy makers, the Argentine financial crisis that forced the resignation of President Fernando de la Rúa in 2001 not only affected Argentina but also sent a pall over vulnerable economies in the region already suffering from a downturn in the international economy. Throughout the hemisphere serious doubts were raised about the wisdom of economic stabilization and structural reform policies promoted by the United States and the advertised benefits of growth based on increased trade alone. It is no accident that the sharpest drop in favorable attitudes toward the United States came in Argentina.

In Venezuela, the administration's initial support for the formation of an unconstitutional ad hoc government established by the military after the forced (though short-lived) resignation of President Hugo Chávez in April 2002 constituted a significant blow to hemispheric efforts to support adherence to the institutional order and the rule of law in the region. Deviating sharply from the policies pursued by its two predecessors, the Bush administration refused to call on the established mechanisms of the OAS to prevent the interruption of the democratic process.

The United States did belatedly turn to the OAS, but only after it became clear that President Chávez's supporters in the military and on the street had reversed the outcome and reinstated the elected president. By equivocating in the face of the unconstitutional removal from office of an elected leader whom Washington did not like, the administration contributed to undermining the United States' political and moral authority as a country committed to supporting the democratic process. It also damaged the effectiveness of the OAS and its newly approved "democratic charter" as instruments for safeguarding democracy. Ironically, Washington's posture damaged its ability to deal with the mercurial Venezuelan president and his government, which wrongly assumed that the United States was actually behind the coup attempt.

SHOT IN THE FOOT

In Bolivia, the Bush administration undermined its own preferred presidential candidate in the electoral campaign of 2002 when the US ambassador openly declared his opposition to the candidacy of the leader of the coca producers union, thereby boosting his popularity and bringing him within a fraction of gaining the highest plurality of votes in

the race. Gonzalo Sánchez de Lozada, who had served as president of Bolivia in the 1990s, was elected to office but soon faced a mutiny by poorly paid police officers. In a climate of growing civil unrest he desperately sought \$100 million in US support to cover severe budget shortfalls. On a trip to Washington, including a visit with President Bush, he was rebuffed and provided with a minute portion of his request.

Only after Sánchez de Lozada was forced to resign the presidency in 2003, after dozens of protesters were killed by the armed forces, did Washington and the international financial institutions significantly increase their financial support for Bolivia. By then policies that could have helped resolve Bolivia's chronic problems, including the construction of a pipeline to export natural gas, had become politically untenable.

Finally, in Haiti, the administration's unwillingness to engage the island's daunting problems and its personal distaste for Haiti's elected leader contributed to a severe deterioration of public order. This in turn helped force the ouster of another elected president, setting back the unfinished if limited progress that country had made in struggling to establish institutional order. When Haiti was overrun by rebels associated with remnants of the disbanded Haitian military, Secretary of State Colin Powell correctly argued that the solution to the crisis required respect for the constitutional order and the legitimacy of the elected president, Aristide.

The State Department's efforts to mediate the crisis were half-hearted at best. When the opposition refused to accept its terms the administration made it clear that there would be no support for the beleaguered president from the international community, thereby encouraging his ouster in 2004. "I am happy he is gone. He'd worn out his welcome with the Haitian people," proclaimed Vice President Dick Cheney.

By turning its back on Haiti, the administration also turned its back on the OAS and the efforts by other Caribbean states to mediate the political conflict on the island. The departure of President Aristide and his replacement with an ad hoc government did not resolve the country's problems; it only made them worse. By encouraging the

removal of a figure, however flawed and controversial, who was the legitimate head of state and who continues to command strong allegiance, Washington aggravated the polarization of the country and made more difficult the restructuring of a semblance of institutional order.

A NEW AGENDA

Now that he has been reelected, how can President Bush reverse the growing dissatisfaction with US policy in the hemisphere? His administration will continue to be judged as much for its global policy as for its policy toward the region. If the president in his second term succeeds in reengaging with America's traditional allies in Europe and moves toward projecting a constructive approach to multilateral cooperation, some of the standing that the United States has lost in the eyes of the world's leaders and mass publics will be regained. With respect to Latin America, the president and

his administration need to signal that they really do care.

On substance, administration officials should continue to press for the Free Trade

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Agreement of the Americas. It is not clear, however, whether the administration's strategy of negotiating sub-regional agreements with Central America and the Andean region will provide the necessary building blocks to conclude a broader hemispheric agreement that includes Brazil. Indeed, partial agreements may increase the difficulty of negotiating a more comprehensive trade pact by introducing standards that might make compromises with Brazil harder to make. In any case, the White House must first ensure Senate confirmation of the Central American Free Trade Agreement, something that is not assured despite the strengthening of the president's majorities in Congress.

The administration will have to move beyond the talking points of the 1990s—that the hemisphere's problems can be solved with "trade not aid"—and recognize that economic reforms are simply not enough to address the continued ills of a region characterized by slow growth and increased inequalities. With as many as 150 million people living on \$2 per day, Latin America's problems require attention to investment in infrastructure and people, particularly through educational opportunities for marginalized populations. This requires

a further strengthening of state institutions and the ability of governments to generate additional revenues for public investments.

It is also clear that the establishment of electoral democracies is not the same as the consolidation of viable democratic regimes, and this consolidation is a complex and lengthy process. US budget deficits and commitments in Iraq make it unlikely that the United States will be in a position to provide additional resources for development efforts in the region. Despite an increase in the foreign aid budget, Latin America continues to lag. Only three countries in the region now qualify for funding under the Millennium Challenge Account, an innovative program that increases foreign aid to the poorest countries, but only if they exhibit good governmental practices and low levels of corruption.

With regard to Mexico and Central America, President Bush faces a significant challenge if he intends to honor the pledge he made in 2000 to implement migration reforms. It is not true that immigration reform fell victim to 9-11. Promising steps to create expanded temporary worker programs and a path to normalize the status of undocumented immigrants in the United States were set aside before the terrorist attacks because of strong objections from conservatives in the Republican party fearful that the issue would cost the president his reelection.

To enact immigration reform the president will have to reach out to Democrats to cobble together a pro-reform agenda. He will not succeed in getting that support if he shelves proposals to create a path for citizenship for the millions of undocumented workers already in the United States. Bush will have

to be willing to stand on principle to obtain immigration reform despite significant dissent from his hard-line base, something he has not been prepared to do so far.

The second Bush administration may also have to manage a response to political change in Cuba. Now that the president has been reelected he should pay serious attention to growing sentiments within his own party and within the Cuban-American community in support of a substantial shift in policy, one aimed at ensuring a "soft landing" in Cuba—a transition not premised on the violent overthrow of the regime but on Cuba's evolution toward a more open and democratic society.

Finally, the administration should renew its commitment to effective regional institutions, including the OAS. Multilateralism does not mean turning over vexing problems such as the crises in Venezuela and Haiti to the OAS secretariat. It means genuine engagement with leading countries to strengthen collective solutions to the region's problems that can be implemented with the organization's administrative help. Washington needs to view the leadership of the OAS as a tool to promote effective dialogue, not as a reward for loyalty to US foreign policy objectives elsewhere in the world.

President Bush can make great strides in remedying hostility to his policies by renewing the multilateral dialogue begun with the countries of the hemisphere by his immediate predecessors. Without clear and concerted engagement and a recognition that the consolidation of democracy in Latin America is far from a foregone conclusion, Washington will be unable to regain the momentum for progress lost over the past four years. ■

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Fox's Mexico: Democracy Paralyzed

DENISE DRESSER

In Mexico today, people laugh at the country's politicians. Laughter has become a national antidote to what would instead bring tears. This explains why Mexico's most popular political analyst, until he resigned several months ago, was a red-nosed, green-haired clown named Brozo. As the host of a morning news show on Mexican television, Brozo poked fun at the country's politicians, exposed their corrupt activities, and acted as a public watchdog.

Mexico provided him with endless grist for his morning mill: the governor of the state of Oaxaca who stages an assassination attempt on himself to bolster his party's political fortunes in a local race; a senator from the Green Party who is videotaped negotiating a bribe from a businessman who wants to build a hotel on an ecological preserve; a city government official caught on tape as he receives a bribe from a powerful contractor; the director of Mexico City's finances gambling with public money at a Las Vegas casino.

Democratic Mexico has not eliminated corruption: the country is producing a reality show with it. Democracy has inaugurated a political system that is freer but not necessarily cleaner. Mexico continues to be a country of crimes without punishment, of people who are identified as guilty on-screen but cannot be proved so in court, of politicians who enrich themselves because they still can.

This has become the greatest problem that the government of President Vicente Fox faces. Day after day, Mexican newspapers portray a paralyzed country. Mexicans do not talk about what has been accomplished, but about what could have been. Mexico appears to be speaking the vocabulary of disenchantment. The words "failure," "disillusion,"

"lack of leadership" have become a daily part of national conversation. The consensus seems to be that Fox's presidency is over, that he is no longer a lame duck but a dead duck.

BETWEEN BAD AND WORSE

Mexican politics has turned into a blood sport. Political battles are not fought between Congress and the president over pending structural reforms; they are being waged among the three political parties and their presidential hopefuls over who will occupy the presidential chair in 2006. Precisely because Fox is perceived as increasingly irrelevant as a decision maker, the presidential race has begun in earnest—and succession politics determine what every politician says and what party positions are taken. Because Fox's presidency seems to have evaporated into thin air, both the Institutional Revolutionary Party (PRI) and the left-leaning Party of the Democratic Revolution (PRD) believe that they can win the presidency and are using every weapon at their disposal. Hardball politics, mudslinging, character assassination, and the use of the Mexican judiciary as a political tool to undermine opponents have all become a permanent fixture of Mexico's political landscape.

Over the next two years, Mexican politics will unfold in a context in which the PRI wields growing power, Mexico City Mayor Andrés Manuel López Obrador fights for his political life in increasingly hostile circumstances, and very little is accomplished in legislative terms because Fox's presidency, for all practical purposes, is over. The focus now and until 2006 is on the presidential race and its pre-electoral dramas. The video scandals that have ensnared government officials in Mexico City over the past six months seem to have one purpose: to remove López Obrador, the left-wing mayor of the city, from his position as frontrunner in the presi-

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dential race. The concerted attacks on the Mexican left—coupled with Fox's failures—open a dangerous door in Mexican politics, one that could lead to the return of the PRI and the ascendance of its current party chairman and presidential contender, Roberto Madrazo.

Whether the PRI—which ruled Mexico for 71 uninterrupted years until Fox won the presidency in 2000—returns to power in 2006 will depend to a large extent on the positions that both Fox and his National Action Party (PAN) adopt between now and the election. Most likely, the contest will feature a two-man race, between López Obrador and Madrazo, with a PAN candidate (probably Interior Minister Santiago Creel) running in third place. So the issue for the PAN becomes whom it blocks and whom it helps. Does the PAN allow the PRI to return by undermining the left—which it hates—and López Obrador at every turn? Or does it do everything in its power to prevent the return of the PRI, knowing that if that happens, it will mean a setback for democratic consolidation in Mexico? This is the devilish dilemma that the PAN currently faces: a choice between bad and worse.

THE BESIEGED FRONTRUNNER

Day in and day out, come rain or shine, Mayor Andrés Manuel López Obrador—AMLO, as he is often referred to—gives a public press conference in his office at 6 AM in an effort to show that he is a man of the people and working for them. He is widely perceived as one, and therein lies his appeal. Despite a spate of scandals involving several of his close collaborators, the mayor remains a political force to contend with, given his high approval ratings in Mexico City and, to a lesser extent, nationwide. That support has been gradually eroding but still places him 10 points ahead of his rivals in the presidential race.

Buttressed by the combination of a massive public works program, populist policies, and savvy political positioning, López Obrador is the most popular politician in Mexico. That is what makes him so dangerous to so many vested interests, which in turn explains why he has many powerful enemies obsessed with bringing him down and bribing—and videotaping—those who could do so. As a result of the Fox government's deliberate

attempts to sabotage him through the use of the justice system, AMLO faces a legal battle in Congress that could strip him of his immunity from prosecution, making it impossible for him to run in 2006.

López Obrador's political strategy since the beginning of the video scandals has been to argue that he is being set up, that it is all a plot hatched by the Fox government, former President Carlos Salinas, and a vast array of vested interests in the system, designed to bring him down. He has tried to focus public attention on the alleged conspiracy and shift it away from undeniable corruption in his government. That strategy has worked with broad swaths of his political base in Mexico City—the poor, the less educated—for whom corruption is a relative issue: what López Obrador's collaborators have done pales in comparison with the pillaging

the PRI and Salinas undertook.

There seems to be some truth to López Obrador's claim about a plot. Evidence points to a series of behind-

the-scenes plans carried out by Carlos Ahumada (a contractor now in jail), prominent members of the PAN, and employees of Mexico's attorney general's office to videotape city officials stuffing briefcases with money and then release those tapes on national television. Whether or not Fox knew about these plans and allowed them to be carried out remains an open question.

What is clear is Fox's approval of the politicization of the attorney general's office and the judiciary against the mayor. López Obrador is currently caught in a legal battle wherein the attorney general's office has accused him of ignoring a restraint order issued by the courts by allowing the construction of a public road (providing access to a hospital) on a piece of land whose ownership has been contested. So Mexico's presidential race may be determined by a small plot of land, known as "El Encino."

The attacks on López Obrador have led to his increasing radicalization. Two years ago, he was viewed as a potential "Lula" (after Luiz Inácio "Lula" Da Silva, the left-wing president of Brazil who has governed in a pragmatic and moderate fashion). Now he's feared as a possible Hugo Chávez (the populist and divisive president of Venezuela). Two years ago, businesspeople applauded his moderation; now

Madrazo's PRI is a party run by corrupt mafias that are itching to act freely, and will dismantle the country's few democratic institutions to do so.

they condemn his stridency. Before the video scandals he appeared the inevitable leader of a modern left; today he seems the desperate leader of a recalcitrant left. For many members of Mexico's middle class, López Obrador is not a politician to support but a proto-populist to fear. This wariness stems from the mayor's public denunciations of Mexico's legal system and the politicization of its judicial system. In Mexico, although the rule of law is, in many areas, nonexistent, citizens expect politicians to obey it. López Obrador questions its very existence and pays a political price. As a result, he has been losing political ground and supporters.

In many ways, his enemies have achieved their objective. López Obrador spends more time dodging political blows than governing the city. His public outbursts against the judiciary have diminished his credibility, and led to the gradual weakening of the heterogeneous, multi-class coalition he attempted to build. The mayor seems to govern with an angel on one shoulder and a devil on the other. The angel whispers that he should govern for all Mexicans; the devil tells him that only the poor deserve his help. The angel says he will need to build support among all social groups; the devil answers that the dispossessed are enough. The angel urges him to be conciliatory while the devil pushes him to be divisive.

López Obrador's latter tack may allow him to mount a good defense but it could hamper his electoral prospects, given that he needs to construct a broad-based coalition to win. Although the left governs Mexico City, the PRD performs badly at the national level and has lost more than half the congressional seats it was able to win in the late 1990s. The PRD is gambling on AMLO's personal attractiveness as a guiding political force. The question is whether a single politician's popularity will be enough to assemble a winning electoral coalition on the back of a fractured party. Can he bring political moderates back into the fold? Will he even be allowed to compete? Today the PRD is a collection

of warring factions, united around the embattled presidential bid of a man who argues that his enemies tout "the rule of law" in Mexico as if it existed.

THE RESILIENT PRI

Many Mexicans who voted for Fox are bewildered. Four years into his term, the man who promised to kick the PRI out of power forever seems to have been kidding. Politics cannot tolerate vacuums and the PRI is filling the one created by Fox's failures. The PRI is coming back, winning state election after state election, and Mexico's first democratically elected president appears unperturbed. If the former ruling party returns to office in the 2006 presidential election, the country's experiment with democracy will have been short-lived. If the PRI is reelected, it will come back to stay.

Four years ago millions of Mexicans voted for change. They heard Fox's promises and believed them. They elected a candidate who would kill the dinosaurs and tame the dragons. But he could not, or did not want to. Instead of wielding his sword, he tripped and fell on it. Rather than confront those who had despoiled Mexico, he ended curled up next to them. Instead of weakening the PRI when he could, he tried to collaborate with it in Congress and refused to take on the vested interests in the unions that the former



Brozo

ruling party had created. By attempting to co-govern with the PRI, Fox has breathed new life into it. Unwittingly, the president has become the PRI's secret weapon. The results of this mistaken accommodation are there for all to see: an emboldened PRI and a weakened government, a cornered president and more of the same old politics.

While Fox offers carrots instead of sticks, the PRI has been organizing itself at the state and local level, retaking ground in the periphery as a way of regaining control of the center. And as recent results in the states of Oaxaca and Veracruz underscore, the party will resort to fear and loathing on the campaign trail if it has to. The PRI is pulling out old

tricks—intimidation, vote buying, patronage—and weak electoral institutions combined with low voter turnout mean they still work.

Work they did for the new mayor of Tijuana, Jorge Hank Rhon, elected despite rumors of drug trafficking, an arrest for smuggling, and the fact that two of his bodyguards are in jail for the assassination of a prominent journalist. Hank's victory last year sent a clear message: in order to win, the PRI does not have to modernize itself, does not have to change. It can remain the same and still orchestrate a comeback. It can nominate political dinosaurs and still win in Mexico's new, fragile democracy.

Today the PRI's presidential hopeful, Roberto Madrazo, is positioning himself as the candidate of those who are disappointed with democracy. He is the candidate of those who believe that power sharing has been a road to nowhere, who prefer the efficient corruption of the PRI to the chronic ineptitude of Fox's National Action Party. A vintage dinosaur with numerous accusations of electoral fraud hidden under his tail, Madrazo represents the old system at its worst and is pushing for its revival. The PRI is poised to take full advantage of the government's paralysis, not because of what the party offers but because of the vacuum it fills. The PRI is coming back because there is nothing to stop it.

Madrazo is gambling on those who miss the old system of clear rules and predictable complicities. And he has found a constituency among Mexicans who prefer a perfect dictatorship to a paralyzed democracy. In the absence of presidential leadership, the PRI is building a coalition of the disaffected. It sells itself as the party that can get things done, even if that means doing them in the old way. Some argue that this may not necessarily be a bad outcome: in Mexico's new circumstances, they suggest, the PRI will be reined in and Madrazo will be constrained by institutions that now act as counterweights to the president.

What is so troubling about the current situation is that many members of Fox's own party believe this. PAN leaders also think that if they join hands with the PRI in Congress to strip López Obrador of his immunity—and preempt the advance of the Mexican left—they will clear the way for their own presidential hopeful, Santiago Creel. The PAN, however, is probably mistaken. Without a charismatic

candidate like Fox, the PAN will return to its traditional vote levels. The issue is not whether the PAN can retain control of the presidency, but to which party it will hand it over. Will the PAN offer the presidency on a silver platter to the PRI by keeping the popular mayor of Mexico City out of the race, or will it run the risk of empowering the left by allowing López Obrador to run?

THE INEFFECTUAL PRESIDENT

President Fox does not seem to realize what is at stake. He proclaims that he is happy all the time. He argues that the country is marching forward, despite what his critics say. He continues to spout numbers and data that confirm his optimistic views, however politically irrelevant they may be. He obsesses about his approval in the polls, even though they reveal that he is perceived as popular but ineffectual.

The prevailing view of Fox is that he knows how to be a good cheerleader, but does not know how to make decisions. He knows how to sell ideas, but does not know how to put them into practice. He knows how to charm the media, but does not know how to horse-trade with Congress to get his legislative agenda approved. The public, however, knows this and forgives him for it, because he is perceived as a good, well-intentioned man.

The reasons behind Fox's failures are complex and varied: the appointment of a cabinet of strangers, the misuse of his political capital during his first year in office, the lack of clear priorities and concrete strategies, the decision to negotiate with the PRI instead of dividing it after the 2000 election, the use of the bully pulpit in a country with no congressional or presidential reelection, the persistence of institutions created for dominant party rule, the intermittent sabotage of Fox by members of his own party, the uncontrollable activism and presidential ambitions of his wife, Marta Sahagun. Fox painted himself into a corner but also allowed others to help.

Yet he remains popular because, in the minds of many Mexican voters, Fox is one thing and his party is another. Electoral results have shown that citizens can love Fox and hate the PAN. In the 2003 midterm election, Fox supporters stayed home, a move that benefited the PRI, which became the majority party in Congress. This paradox will continue throughout the remaining two years of his

Fox may go down in history as both the man who led the democratic transition and the president who squandered it.

term. Fox will continue to soar in the polls as the PAN crashes everywhere else.

The PAN today is a party with its head in its hands. Its inability to deliver better government has paved the way for a PRI comeback; its constant bickering with Fox over the past four years has made it possible for the electorate to punish the party at the polls while sparing the president. Without the benefit of the multiplier effect that Fox had on the party in the 2000 presidential race, the PAN is shrinking back to its normal size of about 25 percent of the electorate. This is bad news for Creel, its potential presidential contender and current minister of the interior. Instead of combating the PRI's record of corruption he has ignored it for the sake of congressional votes that never materialized.

As a result, policy paralysis in Mexico will prevail and the PRI is poised to take full advantage of it. Madrazo will now use his party's recent victories to unite disparate factions in favor of a common cause: tripping up Fox and sabotaging the PAN. The PRI has no incentive to collaborate in Congress, because the party is not blamed for the stalemate there. The PRI will continue to be intransigent about pending economic reforms because it has nothing to lose and much to gain. Fox promised change and the PRI capitalized on the legislative paralysis that prevented him from pushing it through.

Seventy-five percent of Mexicans tell pollsters they have little or no confidence in political parties, 60 percent of the electorate did not show up at the polls in the 2003 midterm election, and 54 percent of those who voted for Fox in 2000 declare themselves dissatisfied with democracy. Given these sentiments, Fox may go down in history as both the man who led the democratic transition and the president who squandered it.

THE LAST LAUGH

What will we see between now and the presidential election in 2006? An empowered PRI, a cornered PAN, a weakened but still popular López Obrador, and the persistence of hardball politics. The PRI will dictate the policy agenda in Congress, and try to present itself as something of a modernizing force in order to woo the business class. But the PRI will not push for economic modernization

policies, such as privatization of electric utilities, that could alienate the hard-core base that just empowered it in Oaxaca, Veracruz, and Baja California Norte. Major reforms to the electricity sector will not take place, although some minor tinkering with the labor code might occur. Madrazo may unveil a public safety package this coming session—crime is a huge issue in Mexico—and that should protect his right-wing flank. Madrazo's rivals are all walking wounded, but López Obrador should survive as a finalist, with steady erosion of his support among independents. For Fox, the key political question seems to be just how distant a third place the PAN is slouching toward.

In the absence of effective presidential leadership, the scenario for Mexico appears to be PRI-driven marginal reform, designed to bolster the party's electoral fortunes and build a coalition of those that have become disaffected with the inefficacy of PAN rule. The PRI will try to position itself, in contrast to Fox and the PAN, as the party that can propel Mexico out of its current paralysis, even if it has to rely on traditional methods to do so.

But Madrazo's way is not only the old way. It is the worst way. The PRI he has reassembled is not the modernizing, technocratic party that pushed forward Mexico's much-needed economic restructuring in the 1990s. Madrazo's PRI is a group of *caudillos* who view the country as their personal fiefdom and intend to govern it as such. Madrazo's PRI is a party run by corrupt mafias who are itching to act freely, and will dismantle the country's few democratic institutions to do so.

Ultimately, what is at stake for Mexico with the PRI's return is the viability, the longevity, the survival of Mexican democracy beyond 2006. Because, if the PRI returns to the presidency, Mexico will slide back from an imperfect democracy to the government it lived with for 71 years—only worse. And the one barrier against this outcome is a proto-populist politician who wants to govern Mexico by polarizing it. Perhaps Brozo the clown knew this when he resigned from his television show a few months ago. He said that he just could not be a clown anymore. His wife had died and he no longer felt like laughing. Many Mexicans, anticipating the choice for 2006 as a contest between bad and worse, feel the same way. ■

“Cuba’s democratic transition will be choppy because it will be led by groups not necessarily known to prefer democracy: the armed forces and expatriate businesspeople.”

Cuba after Fidel

JAVIER CORRALES

If you ask any Cuban to name the best video of 2004, there will be no debate: nothing beats the October images of Fidel Castro tripping and falling after delivering a graduation speech. The sight of the Cuban dictator helplessly crashing to the floor seemed unreal. For some, it was a visual representation of Castro’s numerous missteps. For others, it offered a symbol of the regime’s resilience. After all, Castro only broke his knee and right arm, and was quickly back in charge, despite his spectacular stumble.

Regardless of one’s reaction, the incident forces an obvious question: How much longer will Castro manage to escape death or retirement, forced or voluntary? At 78, having ruled his country since 1959, Castro or his luck may not last much longer.

Cubanologists have been obsessed with the succession question for at least two decades now. This debate has always been personcentric, with the focus on who will succeed Fidel. The Cuban constitution is unambiguous about Fidel’s succession: “In the event of absence, illness or death, the President of the Council of State will be replaced by the First Vice President.” This position is currently held by Castro’s eternally loyal brother and chief of the Revolutionary Armed Forces, Raúl. But because Raúl is 73, there is speculation that the real successor will be somebody else, perhaps Fidel’s increasingly visible son, Fidel Castro Díaz-Balart, a nuclear energy expert and a relative of Cuban-American US Representative Lincoln Díaz-Balart (R-FLA.). Cuba’s economic czar and vice president of the Council of State, Carlos Lage, has also been mentioned, as has the regime’s most unrepentant international apologist, Ricardo Alarcón, president of the National Assembly of the People’s Power.

Fidel’s successor could also be a complete stranger who manages to outsmart every other power con-

tender, as is typical during succession crises. The successor may or may not have Fidel’s gripping personality. Who knows? Uncertainty about succession is what helps separate dictatorships from other regimes. Rather than focusing on who will replace Castro, it is much more useful to think about Cuba’s future political forces. Regardless of background and inclination, any successor to Castro will have to deal with the political forces unleashed after Castro’s demise.

Anticipating all such forces is impossible, of course, but events in the last few months of 2004 provided a preview of what some of them might be. In November, the Cuban government banned the use of dollars in retail trade and imposed a 10 percent surcharge on exchanging dollars. In December, it held the largest military exercises in nearly 20 years. That same month, the government announced an agreement to purchase approximately \$106 million in farm goods from US companies.

The signs are clear. Castro will leave a state that is keener on taxing dollar-holders than in encouraging dollar making, and a nation in which the two most formidable political actors will be the military and US businesses. This array of forces is not necessarily auspicious for democracy, but it is not hopeless either.

FEEDING THE MONSTER

In 1993, Cuba began to introduce market reforms. Typically, market reforms are implemented in the hope of generating societal wealth: the private sector is supposed to become stronger and more autonomous, the middle classes expand and diversify, and low-income groups enjoy improvements in poverty levels. None of this happened in Cuba. Rather than creating a stronger society, market reforms in Cuba served to fortify the armed forces.

That the military—and not society—emerged as the winner of Cuba’s economic reforms stems from the way the reforms were introduced. Market reforms, such as they were, came with heavy state

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controls and almost unheard of restrictions on property rights. Few sectors were opened to private investment (mainly tourism, telecommunications, and certain natural resource sectors such as nickel production). Only foreign private investment was welcomed; the government banned Cuban citizens from holding equity in corporations, forming economic partnerships with other Cubans or foreigners, and hiring employees. Very few Cubans were allowed to become self-employed, and those who were had to deal with burdensome regulations such as onerous taxation, bans on hiring workers, and restrictions on procurements.

In short, most Cubans continued to be denied the most rudimentary property rights. Consequently, private investment in Cuba never amounted to much—a tiny 4 percent of GDP in 2000 (compared with 17 percent in China), most of which consists of foreign investment and remittances from the United States. Since the reforms went into effect the only way for an ordinary citizen to make money in Cuba is to participate in illegal markets, obtain tips from tourists, or have good family connections in the United States (or in the government). The lack of property rights precludes citizens from generating wealth.

In contrast, members of the armed forces in the 1990s received the most enviable property and political rights in Cuba. They were allowed to manage and own many tourist facilities, to participate in joint ventures with international investors, and to occupy cabinet positions connected to the external sector. These prerogatives converted the military into the institution with the most privileged access to Cuba's dollar economy.

It is easy to understand Castro's decision to tweak market reforms to privilege the military to the detriment of ordinary Cubans. In the early 1990s, the regime was politically at risk, imperiled by a deep depression brought on by the economic mistakes of the 1980s and the collapse of Cuba's main benefac-

tor, the Soviet bloc. The Cuban regime faced an urgent need to generate dollars and to secure political loyalties. Full-fledged liberalization, in which the state would grant property rights to citizens at large, would have been too risky, potentially empowering many members of society indiscriminately, including political dissenters. Instead of granting property rights to citizens at large, the Cuban state provided the rights selectively, privileging the institutions whose loyalty was assured: the armed forces and members of the Cuban Communist Party.

By giving property rights to the military and the official party rather than to ordinary citizens, the state obtained the needed capitalists to manage the new dollar-based operations while at the same time

channeling profits only to loyalists. This politically skewed market-reform process allowed the regime to survive, but it engendered the very same monster that the state sought to avoid: a homegrown organization of monopolist capitalists, albeit in the hands of Cuban generals. The Cuban military may now be smaller than ever, but it is also more spoiled than ever, pocketing some of Cuba's most formidable profits.

As with every monster, the Cuban military must be fed handsomely. This explains why Castro seems to be increasing the military budget to an estimated \$1.5 billion for 2005 (or 6.5 percent of government

expenses), has begun to upgrade the military's weapons systems, and carried out an ostentatious military parade at the end of 2004. Cuba's military policy has become special access to dollars, weapons, and parades. Any future administration will also need to find ways to feed this monster, or figure out how to contain it.

DIGGING FOR DOLLARS

Cuba's lavish military policy might also help to explain a recent spate of economic crackdowns, of which the 2004 ban on the dollar is perhaps the most draconian. Dollars, weapons, and parades for



Castro after the Fall

the military are expensive. And by 2003 the state was running low on cash. A series of economic maladies—including price distortions, stagnation of nontraditional exports, declining foreign investment, the collapse of the sugar industry, and the continuing inefficiency of state-owned enterprises—have locked Cuba into a chronic shortage of foreign exchange. More external shocks in 2004 (the rise in oil prices, two hurricanes and one drought) aggravated this shortage. The only short-term solution to this foreign exchange crisis was to hoard as many dollars as possible, and this meant taking dollars away from ordinary Cubans.

When the government allowed Cubans to use dollars in 1993, a boom in remittances from the United States ensued, benefiting as many as 60 percent of Cubans, according to economist Carmelo Mesa-Lago. At first, these remittances fueled a consumption boom. Cubans flocked to newly created dollar-based retail stores to acquire big-ticket items such as televisions and refrigerators. The state profited from the boom, since all retail stores in Cuba are state-owned.

But by 2000, households receiving remittances had met most of their pressing needs for big-ticket items, and Cuba's consumption boom stabilized. Cubans began instead to save their dollars—the logical reaction to political uncertainty—and to rely more on illegal markets for their daily needs, where goods and services are cheaper than in state-owned stores. The Cuban government had no way to tap into these privately transacted dollars.

The solution was to issue Resolution 80, banning the dollar altogether in retail operations. This ban forces Cubans to exchange many of their saved dollars for Cuban convertible pesos—with a 10 percent surcharge added by the government. If the 15 percent average price increase that went into effect in Cuba's dollar stores in May of 2004 is added, the result is a devaluation of at least 25 percent. Approximately 2.5 million Cubans lined up after the ban was imposed last year to trade their dollars for "chavitos," as the new convertible peso is locally known. Overnight, the Cuban state collected millions in hard currency that Cubans had saved.

Predictably, Cuban officials claim that Resolution 80 was a response to US aggression. They point to the \$100 million fine imposed by the Federal

Reserve Bank of the United States on UBS, a Swiss bank, for accepting \$3.9 billion in deposits from Cuba between 1996 and 2003. The United States claims that these funds constitute money laundering. Ernesto Betancourt, a former aide to Castro and now a key Castro opponent in Washington, asks what else—besides money laundering—could explain the huge gap between actual foreign-worker remittances received (from \$200 million to \$300 million annually) and the official figures of \$900 million to \$1.2 billion annually that the Cuban government has provided to a UN agency, the Economic Commission for Latin American and the Caribbean. The UBS deposits cannot be tourism-related money either, argues Betancourt, since most tourist-related transactions are paid with credit cards. Cuban officials deny the money-laundering charges.

Blaming Resolution 80 on US actions against the Swiss bank seems, in any case, disingenuous. If the point was to avoid US-based restrictions on Cuban deposits abroad, the government should have

banned all dollar transactions in Cuba. However, Resolution 80 still allows foreign corporations and credit-card holders, most of whom are foreigners, to use

dollars. Clearly, the Cuban government is selectively punishing and taxing ordinary citizens.

Resolution 80 occurred on the heels of other restrictions on the economic activities of Cubans: new crackdowns on informal markets such as private taxis, restrictions on the sale of automobiles, the 15 percent price increase in state-owned dollar stores, and the elimination of 40 occupations from the already small list of authorized professions for self-employment.

The trend is clear. Rather than encourage Cubans to make and invest dollars by extending property rights, the Cuban state is confiscating most of their savings and discouraging economic ingenuity. Taxation and confiscation are privileged over institutions that promote economic associations and investments. Economic rights are deliberately withheld from civil society, thus keeping it poor. For the state, the only economic purpose of ordinary citizens is to act as conduits of dollars from their relatives in Miami into government hands.

These economic restrictions occur on top of Cuba's routine restrictions on political and civil lib-

The notion of a monolithic, hyperconservative, recalcitrant pro-embargo Cuban-American bloc in south Florida is just a myth.

The Rise of Cuban-American Moderates

Percentage of Cuban-Americans in south Florida who:	1991	2004
Oppose tightening the embargo	13.6	34.0
Support establishing a national dialogue	39.8	55.6
Would oppose an exile invasion of Cuba	23.7	39.8
Support allowing food sales to Cuba	23.4	54.8
Oppose the US ban on business in Cuba	38.4*	51.1

*1997

Source: Cuban Research Institute, Florida International University, Miami, Florida.

erties. A reminder of the regime's repressive streak was the hasty execution of three Cubans trying to escape Cuba and the imprisonment of 75 civil-rights activists in 2003. Pressured by the European Union, which imposed an embargo on Cuba in protest, the Cuban government released 14 of the prisoners in late 2004. However, these individuals were granted only "*licencia extrapenal*," which means that the state can send them back to prison after a year. Unless they leave Cuba, the released prisoners, like most Cuban dissidents, are forever hostages of the state, subject to incarceration at any time. The combination of economic and political restrictions enfeebles Cuban civil society.

The next president of Cuba will thus inherit a lamentable imbalance of political forces: a fortified armed forces and an anemic civil society. This skewed distribution of power is certainly not good for democracy. If anything, democratization requires the exact opposite distribution of power: a military that is weak enough to remain under civilian control, and a civil society that is strong enough to keep civilian authorities in check.

ENDING THE EMBARGO

The next Cuban leader will also confront the consequences of lifting the US embargo on Cuba. It is not evident that bringing an end to the embargo will be the economic panacea that many advocates imagine. It is clear that it will add a new and powerful actor to Cuba's military-dominated political scene—corporate America, and in particular, Cuban-Americans. This will further complicate Cuba's democratization.

Technically, the embargo may not be lifted right away. Depending on which policy document or pol-

icy analyst one pays attention to, the embargo can be removed as soon as the "Castro dictatorship" ends, or as long as it takes for a democratic regime to emerge or for the Cuban state to compensate US citizens for properties confiscated during the revolution—which could happen many years after the Castros expire. Yet the embargo will probably be lifted soon, certainly before there is a real democratic regime in Cuba. The reason? The political forces pushing for ending the embargo in the United States have never been stronger.

During the cold war, the domestic politics of the embargo were simple. There were two political camps, one favoring the embargo, the other opposing it. The former camp was powerful, the latter insignificant. The pro-embargo group included all presidents, both political parties, and the vast majority of US citizens, including most Cuban-Americans. The anti-embargo camp included the marginal left and a few progressive churches. The result was a very stable political environment in favor of the embargo.

The cold war's end complicated the domestic politics of the embargo by splitting these camps into three: those in favor of keeping the embargo as it is, those who wanted to lift or soften it, and those in favor of tightening it. The White House in the 1990s tried to stay on the "keeper" side. But many congressional members of both parties, reacting to sentiments among Cuban-Americans, began to move to the other two positions.

The split among Cuban-Americans regarding the embargo was perhaps the least noticed but most significant change in the politics of the embargo in the 1990s. Surveys of Cuban-Americans in south Florida conducted by the Cuban Research Institute at Florida International University in Miami reveal that, although a majority still generally favor an embargo, support for more moderate positions increased—in some cases doubled—between 1991 and 2004 (see the table this page). A key component of the embargo, the ban on doing business in Cuba, is now opposed by as many as 51 percent of Cuban-Americans (40 percent "strongly disapprove" and 11 percent "mostly disapprove"). The notion of a monolithic, hyperconservative, recalcitrant pro-embargo Cuban-American bloc in south Florida is just a myth.

Yet, even as the number of Cuban-American moderates increased in the 1990s, some anti-Castro Cuban-Americans became even more conservative. Frustrated with the survival of the Castro dictator-

ship despite regime transitions elsewhere in Latin America and in Eastern Europe, these hard-liners thought that with a little extra push, Castro's government would easily collapse. The result was a rise in the intensity of conservative Cuban-Americans even as their relative numbers declined. These hard-liners led the pro-tightening camp and lobbied hard in Washington.

After Cuban military jets in 1996 downed, over international waters, two planes piloted by civilian Cuban-Americans that had penetrated Cuban air space, the hard-liners in the United States saw a chance to score a political victory. A coalition of conservative Cuban-Americans interested in strangling Fidel further and conservative Republicans interested in shackling Democratic President Bill Clinton used reaction to the shoot-down as an opportunity to tighten the embargo by passing the Helms-Burton Act. Helms-Burton—named after its sponsors, Republican Senator Jesse Helms and Democratic Representative Dan Burton—requires the United States to crack down on businesses in other countries “trafficking” with properties in Cuba owned by Americans prior to the 1959 revolution. The act also converts the embargo into a law, amendable only by the US Congress, thus arrogating Cuban policy from the White House.

Yet the pro-lifting forces, both among Democrats and Republicans in Congress and among Cuban-Americans, also continued to gain momentum. In 2000 they scored a major victory with the passing of the Trade Sanctions Reform and Export Enhancement Act. TSREE created a crack in the embargo by allowing US businesses to sell agricultural produce to Cuba. Sales expanded rapidly: in three years, Cuba went from last to twenty-second place among US agricultural export markets. Today, 27 firms from 12 US states are doing business with Cuba. In November 2004 more than 340 representatives from 165 US firms, in addition to various political representatives from various US states, participated in a government-sponsored meeting in Havana to explore business contracts.

TSREE fundamentally altered the politics of the embargo in the United States by decidedly placing corporate America in the pro-lifting camp. Trade has a predictable effect on politics: it always boosts the

forces interested in sustaining and expanding trade by bringing in the firms that are exporting and those that want to enter the business. This explains why the November meeting in Havana was so well attended. It also explains why US exporters to Cuba have become the most ardent critics of President George W. Bush's efforts to tighten the embargo.

Never in the history of the embargo has this pro-lifting coalition been stronger. It now includes three formidable and politically diverse actors in US politics: large agricultural firms (with widespread support from Wall Street), many religious groups (on the left and the right), and most moderate and leftist Americans. This pro-lifting coalition has allies in Congress across the aisle, and among Cuban-Americans. It will be very difficult for any US president or Congress to resist this coalition.

President Bush has, however, attempted to increase restrictions on the embargo. He began in mid-2004 by dismantling the policy—started by Clinton and modeled after President Ronald Rea-

gan's approach toward the Soviet Union—of promoting people-to-people contacts by liberalizing travel opportunities to Cuba. The Bush administration has chosen instead to establish limits on the

number of visits that Cuban-Americans are allowed to make, from once a year to once every three years; on the relatives that can be visited (only close relatives); and on the number of items that can be shipped, including restrictions on remittances. The administration has also increased restrictions on education travel to and from Cuba. In December, the administration began to consider disrupting the incipient trade with Cuba by requiring Cuba to pay for its imports before any merchandise leaves US ports.

Although these restrictions are targeted against the Castro regime, the real victims are Cuban-Americans and US firms. In June, Cuban-Americans carried out various protests in Hialeah, Florida, even taking out newspaper ads condemning Bush. And in December, 34 powerful organizations representing US farm exporters, with support from congressional leaders, sent a stern letter to the White House demanding that it not go ahead with the “unnecessary and hurtful” restrictions being considered. Bush has provoked what few other Repub-

Ending the embargo will have many repercussions for Cuba, but widespread economic prosperity may not be one of them.

lican presidents have accomplished: the visible anger of Cuban-Americans and farm exporters, all congregated in Republican-voting states. Bush might be able to restrict people-to-people contacts, but trade seems harder to stop. The political power of US exporters to Cuba is likely to increase.

ENTER THE CUBAN-AMERICANS

Ending the embargo will have many repercussions for Cuba, but widespread economic prosperity may not be one of them. Even defenders of globalization concede that trade alone is insufficient for economic growth. The key to growth is the rise of transparent political institutions that ensure fiscal prudence, guarantee competitive property rights to citizens, and secure effective court systems that prevent cartels and corruption. Lifting the embargo will not automatically yield this institutional revolution in Cuba: the Cuban state could liberalize trade with the United States while neglecting to revamp domestic political institutions. The result might be economic gains for traders but not necessarily for the mass of Cuban citizens.

While the economic impact of lifting the embargo might be limited, the political consequences will be enormous. Lifting the embargo will inject a new actor into Cuban politics: US businesses. But there is a catch. Corporate America in Cuba will have a distinctive face. It will be heavily dominated by Cuban-Americans.

US firms in Cuba will have a strong Cuban-American component for a variety of reasons. First, there is the attractiveness of the Cuban-American labor market for US exporters to Cuba. Any business leader thinking of doing business in Cuba would do well to hire Cuban-Americans as strategists. Cuban-Americans have the right skills (higher levels of education, success in business), the bicultural competence, and the right citizenship: unlike Cuban nationals, Cuban-Americans with US citizenship would be free to do business in Cuba, at least under current Cuban laws.

Second, most US firms that export to Latin America are based in Florida, where Cuban-Americans are overly represented in the labor market. Florida is the seventh-largest exporting state in the nation, with an export structure decidedly oriented toward Latin America. Florida's top 20 export destinations include 12 Latin American countries (in contrast to California, whose top 20 list includes only one Latin American nation). In short, Florida specializes in exports to Latin America and is thus likely to dominate

future exports to Cuba. Most of these Florida exporters are located in Miami, where Cuban-Americans dominate the labor market. Miami is also home to 22 of the top 50 Hispanic-owned exporting companies in the United States.

Cuban-Americans thus will comprise a disproportionate number of employees, managers, representatives, strategists, analysts, CEOs, and even owners of US firms doing business in Cuba. They will be the face of corporate America in Cuba. This is already visible. To handle its trade missions to Cuba, Louisiana's economic development secretary, Michael Olivier, has hired a Cuban-American, Felipe Martínez.

The politics of the embargo in the United States suggests that the current postures of both Presidents Bush and Castro are politically untenable. Bush wants to tighten the embargo and still have the support of corporate America. Castro wants to lift the embargo and impose political controls on Miami-based expatriates. Both views are politically unrealistic. The United States cannot tighten the embargo without alienating corporate America, just as Cuba cannot welcome US firms and deny political space to Cuban-Americans.

GENERALS AND ENTREPRENEURS

Post-Castro, post-embargo politics in Cuba will be determined, maybe even dictated, by the Cuban armed forces and Cuban-Americans representing US firms. These will be the two most significant political actors to emerge after Castro. The Cuban armed forces already enjoy the most extraordinary privileges in Cuba, and Cuban-Americans will quickly become powerful in Cuba since they will bring all the mighty resources that corporate America has to offer: money, know-how, technology, and marketing savvy. It will be up to these two actors to negotiate the rules of the game in post-Castro politics.

Will these actors negotiate democratic rules? It is easy to imagine dark scenarios. Soldiers and businesspeople are not the protagonists that come to mind when one thinks of the world's democratic revolutions. One particularly undesirable outcome would be for Cuban generals and Cuban-American business leaders to negotiate self-serving economic monopolies to the exclusion of others, much as the Cuban state has been doing thus far by granting monopolies exclusively to foreign investors and state agencies. Having consolidated their economic power, Cuban soldiers and Cuban-American firms could then set up puppet governments.

Mark Falcoff, a senior scholar at the American Enterprise Institute, compares Cuban-American entrepreneurs to Chinese-American entrepreneurs. For years, Chinese-Americans opposed the normalization of relations with authoritarian China; after trade started, they became strong supporters of good relations with the powers that be. Cuban-American entrepreneurs could end up replicating the pro-status quo force that Chinese-American businesses play in China today.

Alternatively, Cuban soldiers and Cuban-American business leaders could spoil democracy indirectly: by fighting each other or simply by provoking a populist backlash. Ordinary Cubans, feeling excluded and repulsed by the cartel power of soldiers and expatriates, could elect a populist, nationalist, authoritarian leader who imposes political and economic restrictions, putatively to contain the influence of these cartels.

These and other undemocratic outcomes are no doubt possible. But they are not preordained. Despite their uncertain commitment to democracy, Cuban soldiers and Cuban-American business leaders can force each other to move in a democratic direction. This is how.

Any democratic transition will require, at a minimum, the following outcomes: economic liberalization, which means disseminating property rights and competitive economic forces; political liberalization, which means granting political rights to opposition forces; and self-restraint, which means creating rules that limit the power of leading political actors.

Cuban-American businesses might act as the most important force for the first outcome, pushing the Cuban armed forces to provide a more competitive property-rights regime, if for no other reason than to obtain for themselves greater freedoms to operate in Cuba (for example, to select the employees and business partners that they want). Cuban-American businesses could even fight among themselves to limit the number of cartels, simply because competition for markets will be ferocious among Cuban-Americans, just as it is in Miami.

Other investors in Cuba, especially those who feel constrained by existing market restrictions, might side with Cuban-American businesses in pushing the armed forces to expand the market, but only if these foreign firms feel strong enough to

compete. In turn, the armed forces might agree to these demands for economic liberalization if they know that they can participate in new partnerships with Cuban-American businesses, since links with US corporations are everyone's business dream. Provided there are opportunities for joint ventures, the military might accept the demands for economic liberalization that Cuban-American business leaders will likely make.

Regarding the second outcome, political liberalization, the negotiations might be trickier. Cuban generals are likely to present an unyielding stipulation: they will only accept giving rights to the opposition provided there are assurances that they will not be prosecuted for human rights (or any Castro-era) abuses. They might even attempt to change the current constitution, which, according to Harvard professor Jorge I. Domínguez, has the one benefit of limiting the power of the military and guaranteeing civilian supremacy. In essence, the Cuban military will demand a conditional transition, in which its

security and relative autonomy are safeguarded. As a condition for doing business in Cuba, this demand would probably not be that costly for Cuban-American entrepreneurs to accept. (Corporate lead-

ers for the most part have no qualms about doing business with former human rights abusers.)

This condition may be much harder for the rest of the opposition in Miami (and in Cuba) to accept. It would prefer to purge Cuba of its authoritarian—that is, Castroite—institutions, of which the armed forces are a principal pillar. This is where Cuban-American business leaders might play the most constructive role: by persuading their most rabid counterparts in Miami to go easy on the Cuban military. If they succeed, Cuban-American firms will assuage the fears of Cuban generals and thus encourage them to take the risk of liberalizing politically.

The last item on the democratic agenda concerns self-restraints. In all political systems, it is hard to convince the powerful actors to accept rules of self-restraint. The politically dominant actors have no incentive to accept such rules, precisely because no other actor is powerful enough to pressure them to do so. The best solution to this dilemma is to ensure some form of power parity. Only when competing groups have comparable levels of power will

*The transition to democracy in Cuba
will be unique, certainly hard,
potentially elusive, but not impossible.*

they have the necessary motivation to agree (or to force others to agree) to rules of self-restraint, if for no other reason than to prevent rivals from becoming too abusive.

Insofar as the entry of Cuban-American businesses helps to level the disproportionate power of the Cuban armed forces, the incentive structure in favor of rules of self-restraint might increase. And this bodes well for democracy.

A DEMOCRATIC CUBA?

Cuba's democratic transition will be choppy because it will be led by groups not necessarily known to prefer democracy: the armed forces and expatriate-led US firms—both interested in creating business opportunities for themselves. Other societal and foreign actors will play a role, but their power will be insufficient to block the overwhelming influence of Cuban soldiers and Cuban-Americans representing US companies.

In Latin America, it is hard to find cases of democratic transitions in which soldiers and expatriate business groups played such leading roles. In South America in the 1980s, the military was arguably strong at the time of the transitions, but so was civil society, and in none of these cases did corporate America or expatriates representing corporate America take on as big a role as they will have in Cuba. The closest case may be Mexico, where arguably American businesses, with a strong compo-

nent of expatriates, played a salient role during the transition to democracy in the late 1990s.

But even in Mexico in the 1990s, domestic civil society was strong and the military was weak, distinguishing it from a post-Castro, post-embargo Cuba. The distribution of power among the military, domestic civil society, and expatriate business leaders that is likely to emerge in this future Cuba has had no match in Latin America.

The transition to democracy in Cuba will be unique, certainly hard, potentially elusive, but not impossible. The self-interest of Cuba's two leading political actors may push them in the right direction. The armed forces' desire for greater profits might push them to accept the business conditions of Cuban-Americans representing corporate America. This may mean greater economic liberalization. The desire of Cuban-American entrepreneurs to do business in Cuba may push them to accept the military's conditions, or at least to persuade other Cuban-American actors to become more moderate.

Insofar as those conditions are met, the military may agree to political liberalization. And because both Cuban soldiers and Cuban-American business leaders will be politically strong, they each will have the ability to impose, and an interest in accepting, rules of self-restraint. The outcome of negotiations between Cuban soldiers and Cuban-American business groups might not be politically perfect, but it might not be that undemocratic, either. ■

“In the immediate aftermath of the 1992 peace accords, El Salvador was cited frequently by the United Nations and even the World Bank as a country that, with the international community’s help, effectively managed its transition from civil war to peace and reconciliation. Thirteen years later, only the US government views the Salvadoran model so favorably.”

El Salvador’s “Model” Democracy

DAVID HOLIDAY

After years in the political shadows, El Salvador has once again begun to receive attention from Washington. Both US Defense Secretary Donald Rumsfeld and Vice President Dick Cheney have cited it as a model for the potential success of democracy in Afghanistan and Iraq. The case of El Salvador, Bush administration officials have argued, demonstrates how the holding of free elections in the midst of civil war or terrorist attacks will eventually weaken insurgencies and bring about democratic progress. Military officers have also pointed to the US military role in the Salvadoran conflict as a model for assisting in the prosecution of the Colombian conflict.

Democrats and other critics of administration policy have preferred to argue, as has former State Department official Peter Romero, that it was the involvement of the United Nations in mediating political negotiations and democratic institution-building in El Salvador in the early 1990s that should provide a lesson for Iraq. Those efforts made El Salvador into one of the most successful examples of peacemaking in the history of the United Nations.

For his part, Salvadoran President Tony Saca—who took office in June 2004—has used this new-found attention in two ways. Saca went to the UN in September and praised the international community’s support for El Salvador, stating that his country wanted to make its experience available to others by deploying Salvadoran troops to Iraq. At home, however, Saca has more frankly touted the Salvadoran military’s contribution as a response to a specific request from its key friend and ally, the United States.

Indeed, in thinking about the challenges faced by the United States in Iraq and Afghanistan, precious few positive examples of establishing a democracy in the face of continuing insurgency can be invoked. That the Bush administration has consistently relied on El Salvador—an otherwise insignificant country in the United States’ “backyard”—as a singular case of success might be interpreted as a sign of weakness for the administration’s argument. In fact, the unique and fortuitous circumstances of El Salvador’s peace agreement with a guerrilla insurgency and the country’s subsequent stability would make for difficult replication elsewhere. A closer review of the Salvadoran “model” reveals that it depends on an extremely precarious set of domestic and international conditions, bolstered most importantly by that country’s loyal adherence to US policy prescriptions.

In a Veterans Day visit to El Salvador in November, during which Rumsfeld awarded Bronze Stars to six Salvadoran soldiers who had distinguished themselves in Iraq, the defense secretary asserted that El Salvador’s success proves that the “sweep of human history is for freedom.” But it remains to be seen whether the electoralist strategy, which partially contributed to an end to fighting in El Salvador, will be effective in every setting. What really seems to matter for US officials is less the redemptive idea of free elections than the electoral dominance of a conservative political project keenly attuned to America’s global priorities.

GETTING TO PEACE

Throughout the 1980s, few Latin American countries received as much publicity in the US media as did the tiny Central American country of El Salvador. After the 1979 takeover by leftist Sandinistas in nearby Nicaragua and the unification in 1980 of five Salvadoran guerrilla groups into the

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Farabundo Martí National Liberation Front (FMLN), newly elected President Ronald Reagan pledged to draw the line against communist aggression in El Salvador when he took office in 1981. El Salvador became one of the most contentious foreign policy issues during the Reagan administration, revealing a lack of consensus among policy makers over foreign policy strategies that sought to contain revolutionary movements.

In 1989, after the Christian Democrats had self-destructed on charges of corruption and by alienating the business class, the conservative Republican Nationalist Alliance (Arena)—now with US blessing—won the presidential election. Shortly thereafter, the FMLN rebels launched a nationwide offensive, including major operations in the capital city of San Salvador, bringing the war to urban areas to an unprecedented extent and reinforcing the notion of a “hurting stalemate” in the Salvadoran conflict. The US-backed military resisted the urban offensive, but also responded by assassinating six Jesuit priests, their housekeeper, and her daughter, which in return prompted heightened pressures from the US Congress on the Salvadoran military.

Along with the end of the cold war, the 1990 electoral defeat of the Sandinistas in Nicaragua and a realization by Salvadoran elites that the guerrilla war was unwinnable (not to mention ultimately unprofitable) came together to form fresh reasons for the administration of President George H. W. Bush to push its Salvadoran partners toward a negotiated political settlement. Such a solution would allow an end to a longstanding entanglement by the United States, which at one point had made El Salvador the third-largest recipient of total US foreign assistance, behind only Israel and Egypt.

After the 1989 offensive, the FMLN rebels and the government separately approached the United Nations for assistance. In 1992, the 12-year-long civil war came to an end through a UN-mediated political settlement that became known as a “negotiated revolution.” As befits any good bargaining process, virtually every party wanted to stake some claim to success in the final resolution of the conflict. The United States, which had propped up the government with some \$6 billion in foreign assistance throughout the conflict (including \$1 billion in military aid), could say that it had staved off a violent communist takeover by the leftist FMLN rebels. The United Nations set up a human rights mission prior to the end of the armed conflict (for the first time ever), negotiated for the first time the end to an internal armed conflict, and then verified

the implementation of the peace accords with relative success.

The conservative Arena government—which entered into negotiations shortly after taking over the presidency in 1989—came out a winner as well, soaking up much of the peace dividend by getting reelected to executive office in 1994. For its part, the FMLN managed a respectable electoral showing, quickly becoming the main opposition party in the legislature. The leftists could also legitimately take some credit for agreements that led to a more secure, demilitarized society (enabling them to participate safely as a legal political party) as well as the creation of a new civilian police force (which former rebel combatants were able to join). These structural reforms, overseen by a UN mission, contributed to a climate in which politically motivated crimes were largely eliminated.

PRO-MARKET, PRO-AMERICAN

In the immediate aftermath of the 1992 peace accords, El Salvador was cited frequently by the United Nations and even the World Bank as a country that, with the international community's help, effectively managed its transition from civil war to peace and reconciliation. Thirteen years later, only the US government views the Salvadoran model so favorably.

Long after declining levels of US foreign assistance might have justified it, the American embassy compound in San Salvador is still one of the largest in Latin America—perhaps as appropriate a symbol as any of the remaining importance of El Salvador to US policy. American diplomats no longer stage-manage executive branch decision-making (as they might have been seen to do during the civil war) or meddle overtly in Salvadoran politics. Given the ideological compatibility of the governing Arena party with US policy priorities, in particular with those of President George W. Bush's administration, there is little need for such strong-arm diplomacy.

El Salvador has been governed since 1989 by the conservative Arena party, which, with few exceptions, has been able to control both law making by the Legislative Assembly and policy implementation by the executive branch. Inaugurating its fourth consecutive president in 2004, Arena will have governed El Salvador for a full two decades by 2009, making it undisputedly the most successful right-wing political party in contemporary Latin America.

Arena deserves credit for following through with the implementation of the 1992 peace accords, although most scholars would argue that it was UN

oversight—and even US pressure—that assured government compliance on key issues. The governance reforms that formed the basic thrust of the accords have held firm. The National Civilian Police are not without internal disciplinary problems and charges of corruption and abuse, but they remain a positive example for the region. And the Salvadoran military, which had long dominated obliged elites by stealing elections and repressing dissent, is essentially a nonentity in politics, with a changed role that limits its contact with the civilian population. It has become in effect a temporary employment agency for the army of the unemployed.

The accords did not, however, touch seriously on structural social and economic issues. In this realm, the ruling party has been able over the past 15 years to implement a series of economic and foreign policy measures that more clearly bring it into alignment with the United States. Beginning in the early 1990s—even while negotiating the peace—Arena started to liberalize the economy to such an extent that El Salvador was being compared to Chile, which had undertaken the most radical free market program in Latin America.

One of the elements of this liberalization, privatization of banks and telecommunications, escaped much public scrutiny, but it is nevertheless widely held that President Alfredo Cristiani (1989–1994)—who signed the peace accord in 1992—profited personally from the financial sector deregulation. One of the two major daily newspapers, and the most sympathetic to the peace process and the Cristiani administration, lamented the central failing of his administration as he left office: not tackling corruption. The particulars, however, were left to readers' imagination, given the relative lack of any critical coverage during the five years of his presidency.

In recent years, Arena's economic policies have boldly ventured into the adoption of a foreign currency—the US dollar—as El Salvador's own, with the dollarization of the economy in 2001. More recently, Arena shepherded the Central American Free Trade Agreement (CAFTA) through the Salvadoran legislature, the first of any signatory country (including the United States) to do so. Even as a country that stands the least to gain from CAFTA (given the high degree of liberalization it has already undertaken), El Salvador is the clear leader in Central America in pushing for free trade initiatives.

Up to 2 million Salvadorans—a full quarter of the total population—reside abroad, mainly in the United States.

Indeed, Arena has been a loyal ally of the United States on almost all relevant foreign policy issues. Former President Francisco Flores (1999–2004) was especially obsequious. When President Bush visited in 2002, Flores remarked that, of all the honors he had received in his lifetime, none was “so high as that of President Bush calling me his friend.” Flores earned further points by battling rhetorically with Cuban leader Fidel Castro at hemispheric summits. His government also infamously became the first nation to recognize the ill-fated government that briefly overthrew Hugo Chávez in Venezuela in 2002. (Rapid recognition of the de facto government was, as former Mexican Foreign Minister Jorge Castañeda revealed recently to the Mexican daily *Reforma*, part of a joint effort with the United States and Colombia.) Arena has also provided space at El Salvador's international airport for facilities to refuel and retool US airplanes used for interdiction in the war on drugs.

Salvadoran support for the US effort in Iraq—it has rotated three deployments of special forces there—is easily the most important action it has taken in support of US strategic aims. With the pullout of Nicaraguan, Dominican, and Honduran troops, El Salvador remains the only Latin American nation to stand by the United States in Iraq. Although generally out of harm's way, Salvadorans did come under fire as the insurgency spread to Najaf last March. One Salvadoran soldier was killed, several more were wounded, and US military spokesmen praised their heroic efforts. The Iraq War is politically unpopular, according to domestic opinion polls, but it seems likely that El Salvador will remain as long as its presence is requested.

DEMOCRACY'S PRICE

In pursuit of its policy goals, Arena has frequently shut off political debate, and has occasionally engaged in perverse political trade-offs because of its minority status in the legislature. Since the 2000 elections, the opposition FMLN party has enjoyed a plurality in the Salvadoran legislature. (In 2000, the FMLN won more seats than Arena, but still took less of the popular vote; in 2003 the former guerrillas won a larger share of both.) Because it held fewer than 30 seats in the 84-seat legislature, Arena has had to work with other parties to reach the 43-vote threshold necessary to pass most legislation.

Given the ideological gap with the FMLN, Arena has consistently had to rely on the votes of third parties—most frequently the National Conciliation Party, or PCN—to attain a simple majority in the assembly. The PCN's ideology is vaguely populist, and the party has often attracted Arena outcasts, but it is mainly known for its business acumen: selling its votes to the highest bidder. In the case of dollarization, this major policy initiative was thrust on the country in late 2000 without time for any public debate. Arena secured PCN votes in part by agreeing to a trade-off: Arena would provide votes to grant immunity from prosecution to a PCN deputy, Francisco Merino, if the PCN would provide the votes needed to approve dollarization. Merino, a former Arena vice president under Cristiani, had shot and nearly killed a policewoman who tried to stop him while driving drunk.

After Arena's poor showing in legislative and municipal elections in 2003, President Flores was roundly criticized—even by his predecessor, former President Armando Calderón Sol (1994–1999)—for his failure to build any kind of consensus around his various political initiatives. In the 2004 presidential elections, Arena candidate Saca distanced himself from that aspect of the Flores administration, winning office in part by pledging to reach out to all parts of the electorate. In his initial months as president, Saca came through on his promises, organizing roundtable discussions and even reaching a consensus agreement on the issue of a revised anti-gang law. (The government's adoption of “iron fist” policies against gangs, which are the source of most petty crimes as well as a significant number of homicides, has been politically popular, but criticized on civil rights grounds.) Nevertheless, this past December, Arena and PCN deputies opted to bring approval of CAFTA to a vote at three in the morning, just hours before the assembly was to adjourn for the Christmas holidays, sharply limiting parliamentary discussion from FMLN deputies opposed to the measure.

Arena justifies its governance strategy of political deal-making and dialogue-avoidance by arguing that the opposition FMLN simply cannot be reasoned with. The Arena government, with support from the United States and other international actors, has succeeded in placing off limits substantive discussion of many key economic initiatives that the FMLN can be counted on to oppose with equal orthodoxy. By ignoring or bypassing consultation or compromise on any of these

issues, Arena ensures continued deep political polarization in El Salvador.

Yet, as the 2004 presidential campaign underscored, Arena may be fully cognizant that extreme political polarization—under the right conditions—will usually work in its favor. The 2004 contest pitted Arena's Saca—a boyish radio announcer with little experience but excellent communication skills—against the FMLN-nominated Shafik Handal, the bearded septuagenarian former leader of the Communist Party. The campaign itself devolved into the nastiest, and also the most expensive, contest in the postwar period. While Arena foresaw apocalyptic doom should the FMLN win (including an end to remittances from foreign workers and the imposition of radical policies like those seen in Cuba), or attempts by the left to disrupt the process should it lose, the FMLN held an almost messianic belief in its electoral invincibility, convinced that Arena could win only if the election were stolen.

The result of the campaign was a highly motivated electorate: about 2.1 million voters turned out to the polls, over 50 percent more than had participated in the previous year's legislative contests, reversing a downward trend in participation sustained since the first post-peace accord elections. Indeed, the FMLN did improve its electoral take by an impressive 50 percent, but Arena far outperformed it, winning double the number of votes it had received the previous year.

THE FMLN BOGEYMAN

Arena and its supporting organizations clearly exaggerated the threat posed by an FMLN victory. The FMLN put forth a reasonable—if overly ambitious—campaign platform and mostly positive publicity, but it was unable to effectively counter Arena's claims. The images of guerrilla warfare evoked by its bearded Communist candidate prevailed, while recent FMLN statements revealed a less-than-measured approach to postwar democratic politics. Shortly after the FMLN's historic win in the 2003 legislative elections, for example, FMLN leaders were emboldened to take out a full-page newspaper advertisement in support of Castro's crackdown on dissidents and critical of the “terrorist” and “imperialist” Bush administration. The FMLN's choice of a vice presidential candidate who had led a long and costly strike by public health employees the year before also contributed to a popular sense that the strike had been, at least in part, politically motivated to wear down the Arena government prior to elections.

That said, Arena's fear of what an FMLN presidential victory might mean was misguided—as was that of numerous new voters and US officials like Special Envoy Otto Reich, who weighed in against the FMLN a week before the elections. It was entirely possible that the FMLN would act more cautiously than its rhetoric suggested should it reach higher echelons of political power. Moreover, the FMLN would likely face a situation similar to that of Arena, in which its ability to approve new laws would depend on its effectiveness in creating alliances with other parties in the legislature.

Along with small center-left parties, the FMLN has provided a crucial counterbalance to Arena in the Legislative Assembly, and done far more to turn that body into one of deliberation and oversight. FMLN municipal governments, including that of San Salvador (which has been in FMLN hands for the past eight years), have also been relatively well governed. Paradoxically, the FMLN is closer than Arena to important goals of the United States (and the international community) related to greater transparency and accountability in government affairs. But this is clearly secondary to the apparently non-negotiable positions on economic orthodoxy.

DOLLARS AND MIGRANTS

El Salvador's continued political polarization is not necessarily the result of competing ideologies. One of the lowest tax rates in the hemisphere and a growing fiscal and trade deficit, combined with the state's overall underinvestment in public needs, have resulted in negligible gains on many social and economic fronts and leave formidable challenges for the near future.

One of the strongest arguments the government can make about the success of its economic policies over the past decade has been the reduction of overall poverty. According to the government, overall poverty levels fell dramatically from 60 percent of the population in 1991 to 33 percent in 2003. The United Nations Development Program in El Salvador has measured the reduction in the poverty rate (using a different methodology) as far less than that stated by the government, moving from 65 percent in 1992 to 43 percent in 2002, while noting that remittances account for a significant part of that reduction. While these data are not insignificant,

other indicators provide greater evidence for the challenges still facing El Salvador. Some economists argue, for example, that both income inequality and the concentration of wealth appear to have increased in the period since the signing of the peace accords.

El Salvador's social spending has increased, going from 5.4 percent of GDP in 1994 to 8 percent in 2002, but it still ranks among the lowest in Latin America. The World Bank estimates that secondary education enrollment is 20 percent lower than what it should be for a country at El Salvador's income level. Combined with a primary education system of poor quality, scant financing for technical education of workers, and a paucity of skilled laborers, El Salvador is still at a distinct disadvantage in competing in the world market.

Economic growth has also slowed in recent years, despite the many liberalization measures taken to

ensure greater investment and job creation. In the immediate aftermath of the peace accords, the economic growth rate averaged between 6 percent and 7 percent. Since 1995, however, growth has averaged about 2.7

percent; recent data suggest that the 2004 rate may not even reach 2 percent. The Salvadoran private sector, which is increasingly transnational in character, has not contributed to the local economy with increased investment over the past decade.

The promise of CAFTA, in this context, will only be borne out if greater domestic and foreign investment can stimulate export growth to offset the expected increase in imported goods. Until now, El Salvador's job growth has come mainly through cheap, unskilled labor in the *maquila* sector, which currently provides some 90,000 jobs. However, with the end of the international Multi-Fiber Agreement in 2005, and the resulting increased competition from China, most observers believe the textile *maquilas* will be significantly weakened over the next few years.

Since the end of the civil war, public and private debt has also risen. As a result of dollarizing the economy in early 2001, El Salvador no longer controls its money supply. Consequently, dollars must be recruited to pay public and private debt and to purchase intermediate and capital imports. A consistent strategy in the face of dollarization and declining primary exports has been to continue to export labor.

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Dominican, and Honduran troops, El
Salvador remains the only Latin American
nation to stand by the United States in Iraq.*

Migration and remittances have arguably done more to ensure El Salvador's economic stability than any measure taken by the state. Up to 2 million Salvadorans—a full quarter of the total population—reside abroad, mainly in the United States. Their flight abroad not only reduces the poverty level in El Salvador, but also relieves demographic pressures on the limited opportunities for employment. The downside is that migration breaks up families and drains human capital. However, remittances sent back by Salvadorans help to reduce overall levels of poverty, stimulate employment, provide funds for school enrollment and construction, and contribute to the diversification of economic activity as the agriculture sector declines.

While a considerable number of Salvadoran immigrants continue to be undocumented, the United States also provides a kind of economic stimulus for migrants' remittances through Temporary Protected Status (TPS), which benefits some 250,000 Salvadorans. Functioning as a kind of back-door *bracero* program, TPS covers Salvadorans more than any other group of migrants. It allows them to work and remain in the United States under a "deferred enforced departure," but without providing them with residency status.

Although an outgrowth of the civil war period, TPS has become an almost permanent fixture of US-Salvadoran relations, with the Salvadoran government employing Republican lobbying firms to obtain its frequent renewal. US approval of TPS once was based on unsafe political conditions in El Salvador. Today it represents an implicit acknowledgement that repatriating such a large number of Salvadorans would be devastating—not to mention potentially destabilizing—for their home country. (The Bush administration announced in January 2005 an 18-month extension of TPS for Salvadorans.) In the post-9-11 world, it is virtually inconceivable that any other country would be in a position to replicate for its

diaspora population the kind of privileged status currently held by Salvadoran immigrants.

AN UNANSWERED QUESTION

After 15 years of rule by one party, it should come as no surprise that Arena's political prospects have narrowed. One recent poll showed that Salvadorans consider economic issues their primary concern, topping public security for the first time in over a decade. Until now, Arena has been adept at hanging on to power, deploying any necessary capital—whether financial or political—to ensure its continued political dominance. Arena has been consistently effective at hiding its private differences from public view and showing a unified front, as well as bolstering its claim before the international community that it is the only responsible political option. The opposition FMLN—still widely accepted as the most successful case in Latin America of a guerrilla movement transformed into a political party—has yet to figure out how to capitalize on the discontent generated by Arena policies. Recent internal elections in the FMLN constitute important—albeit flawed—first steps toward internal democracy, but they have also had the deleterious side effect of publicly airing its dirty political laundry.

There remains an important yet unanswered question related to the state of Salvadoran democracy: Would Arena and other elites—or a US administration—tolerate a leftist, or even a moderate, social democratic government that pursued policies somewhat more independent of Washington? This question may not be answered anytime soon. The FMLN may simply be too divided, and its frequently orthodox leftist policy prescriptions simply too frightening, for the majority of Salvadorans who consistently reward Arena with executive power. Ultimately, however, only with this question answered can the Salvadoran model of democratic progress be considered truly successful. ■

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Haiti after Aristide: Still on the Brink

DANIEL P. ERIKSON

As President George W. Bush begins a second term, his administration continues to make the promotion of democracy throughout the world a central focus. In a landmark speech in November 2003, Bush proclaimed that "the advance of freedom is the calling of our time; it is the calling of our country." Condoleezza Rice, soon to become the president's secretary of state, has assured that the "United States will fight poverty, disease, and oppression because it is the right thing to do—and the smart thing to do. We have seen how poor states can become weak or even failed states . . . with potentially catastrophic consequences." The president's top policy advisers also have recognized, at least rhetorically, the danger to the international order posed by dysfunctional and failing states. And yet, while the focus has been on Iraq and Afghanistan, a high-profile attempt at democratic nation-building much closer to home collapsed in violence and bloodshed in early 2004, when the ouster of President Jean-Bertrand Aristide effectively ended nearly a decade of uninterrupted elected rule in Haiti.

In the 1990s, Haiti was on the front lines of US efforts to help bind Latin America and the Caribbean into a "community of democracies." Today, the country is the closest example of a failed state this side of the Atlantic. Once thought to be the savior of Haitian democracy, Aristide proved to have feet of clay. Not only was he more skilled at burning bridges than building them, he faced an opposition coalition that lacked any coherent vision for Haiti's future and was mainly bound together by a shared distaste for the president. Although Aristide was indisputably the chief culprit in the unraveling of democratic governance on the island, the

uncontested return of "the men with the guns" also underlined the near total failure of both the Clinton and Bush administrations to foster a politically stable and economically viable Haiti. The preservation and consolidation of Haitian democracy have been a stated objective of both US leaders, yet their efforts have yielded little fruit. Haiti is now virtually devoid of elected leaders on the national stage. The country has not held a congressional election in nearly five years. It has not held a competitive presidential contest since 1995, and the last presidential election, which brought Aristide back to power in November 2000, was boycotted by the main opposition candidates and spurned by international monitors. Haitians must undoubtedly shoulder much of the blame, but the implosion of Haiti's political system has also tarnished US aspirations to build democracy beyond its borders.

As if Haiti's dismal politics were not worrisome enough, the country also represents a significant humanitarian emergency poised to grow more urgent with every passing year. Haiti's 8 million people live among the most squalid conditions found anywhere in the world, and merely finding enough food to stay alive has become a full-time pursuit for most of the country's population. Levels of malnutrition and disease spiked in the months following the February 2004 uprising, while high commodity and fuel prices have increased the cost of living for ordinary Haitians. Rates of HIV and AIDS are the highest outside of sub-Saharan Africa: an estimated 5 percent of Haitians are infected with HIV, and about 300,000 are living with AIDS. An epidemic of deforestation, driven by the demand for wood-based charcoal for cooking, has left the country extraordinarily vulnerable to natural disasters. Twice in 2004, tropical storms and rains swept thousands of people to their deaths. If Haiti were hit by a major hurricane in the coming years, the

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death toll could easily reach into the tens of thousands. Meanwhile, the disintegration of the Haitian police force has left the country without a public agency capable of delivering security. It has even prompted calls to restore the Haitian army, once among the most noxious militaries in the hemisphere, which was disbanded in the mid-1990s.

The prospects for Haitian democracy remain very much in doubt. Legislative and presidential elections scheduled for this fall already show signs of being delayed until early 2006. At the same time, armed rebel and paramilitary groups are contemplating joining in the political process, while Aristide's once dominant Fanmi Lavalas (Creole for "cleansing flood") party has been relegated to the sidelines despite representing the largest political force in the country. The bickering and infighting among the principal opposition groups, temporarily silenced by their long-sought but unexpected triumph over Aristide, have resumed. Illegal traffic in drugs and light weapons continues unregulated throughout the country, raising the specter of narcotics-related financing for political campaigns. Populist appeals continue to resonate with the millions of Haitians who live on less than \$2 a day, yet Haiti desperately needs a political pragmatist who can make peace with the country's tempestuous elites and win the confidence of the international community to maintain the flow of foreign aid. The prospect of placing Haiti under long-term UN administration has shifted from a fringe idea to mainstream debate. Many Haitians are pressing for a return to democracy, but this may only be possible if the United States and the international community can help the country tackle its deep-rooted challenges.

PRELUDE TO A COUP

The Haitian crisis last February appeared to materialize out of thin air, yet it was really the climax of an ongoing power struggle that dated at least to the May 2000 legislative and municipal elections and arguably began with the fall of the Duvalier dynasty in 1986. It was only four years after Jean-Claude "Baby Doc" Duvalier fled the country that Aristide, a former parish priest who rose to prominence as a vocal opponent of dictatorship, triumphed as Haiti's first democratically elected president in 1990. Ousted by a military junta in 1991, Aristide spent

three years in exile in the United States before the Clinton administration, with United Nations backing, sent 20,000 US Marines to restore him to power in September 1994. Aristide was succeeded the following year by his close associate René Préval, and US troops soon withdrew.

Yet, in May 2000, shortly before Aristide reclaimed the presidency in a separate race that November, Haiti held municipal and legislative elections that cast a shadow over his relations with the international community, and with the United States in particular. Although the balloting itself was judged to be free and fair, subsequent tampering with election results allowed Aristide's Lavalas party to further consolidate its sweeping victory over Haiti's hapless opposition groups. The electoral sweep came at a price. In the eyes of Haitian opponents and the international community, Aristide's democratic legitimacy was dealt a wound that

continued to fester during the remainder of his time in Haiti.

In an effort to prompt Aristide to compromise with

In a peculiarly Haitian version of the reality show Survivor, Aristide was being voted off the island.

his foes and organize new elections, the Clinton administration in the fall of 2000 signed a Republican party-backed provision that froze US aid to Haiti pending resolution of the political dispute. Most major international donors followed suit, and the Inter-American Development Bank, International Monetary Fund, and World Bank halted lending to the country. Upward of \$500 million in international aid was withheld from the Haitian government, although assistance to NGOs and private relief agencies continued. This situation persisted once Bush and Aristide were sworn into office within weeks of each other in early 2001. In essence, foreign aid served as both carrot and stick: its restoration would reward political compromise, and its denial constituted punishment for undemocratic behavior.

However, instead of responding to these blunt incentives, Aristide and his enemies simply dug in. For three long years, their positions remained mutually exclusive. Aristide vowed to finish his five-year term, and his opponents refused to accept any political solution that left him in power. Meanwhile, Haiti's nascent democratic institutions crumbled, poverty worsened, and the modest progress that had been achieved by greater international engagement in the late 1990s quickly evaporated.

Regional institutions like the Organization of American States, and later the Caribbean Community, tried but failed to negotiate an end to the stalemate.

Against this backdrop of political isolation and economic deprivation, evidence of Haiti's unraveling mounted. Aristide proved either unwilling or unable to control the Lavalas-affiliated gangs responsible for political persecution and violent crime. His rocky relationship with the notorious street fighter Amiot Métayer was a case in point. Métayer, the head of a criminal group known as the "Cannibal Army," was implicated in a crackdown on opposition groups that followed an apparent coup attempt on the Haitian National Palace in December 2001. Arrested the following June, he was among 159 convicts freed two months later when a bulldozer rammed into the jail in the Haitian city of Gonaïves. Métayer then called for Aristide's resignation, but soon lowered his profile. He was eventually found dead, shot execution-style, in September 2003, following months of international pressure to secure his capture. From that point forward, Gonaïves was effectively beyond government control.

Other signs of internal discontent escalated during the latter half of 2003. A civil society coalition known as the "Group of 184" organized rallies and street marches that mixed calls for a new social contract among Haitians with demands for Aristide's resignation, provoking violent responses from Aristide partisans in the capital, Port-au-Prince, and in the countryside. In December, a protest at a university led to the severe beating of several students and the school rector at the hands of the Haitian National Police, further tarnishing Aristide's image. Meanwhile, the porous border between Haiti and the Dominican Republic soon emerged as a security threat in its own right. The perpetrators of the 2001 attack on the Haitian National Palace had allegedly entered from the Dominican Republic. By 2003 there were multiple reports of former Haitian military officers crossing over from the Dominican Republic to carry out attacks against government installations in Haiti's Central Plateau.

As Haiti celebrated 200 years of independence in January 2004, the principal elements of the final showdown were in place. The deadlock between Aristide and the political opposition had prevented new elections, and the existing parliament expired. Haiti's government institutions, including the police, were virtually nonfunctioning after years of being deprived of foreign assistance and because of mismanagement by Aristide. Relations between Aristide

and top political gang leaders, known as *chimères*, had been strained thin. The Dominican Republic had been converted into a staging ground for former Haitian army officers, and small-arms traffic proliferated throughout the country. Deepening poverty and economic malaise left Aristide with diminished political capital among the poor, who had twice before thrust him to the center of power. In the United States and Europe, confidence in Aristide was at its lowest level. Far from becoming more engaged in the Haitian crisis, the Bush administration urged the tiny microstates of the Caribbean to take the lead in brokering a political solution. By the end of January 2004, more than 50 people had died in clashes between protesters and police. Against this backdrop of domestic cacophony and international indifference, Haiti teetered on the brink of a perfect political storm.

THE FINAL SIEGE

The first clue that the endgame had begun in Haiti came on February 5, 2004, when a group calling itself the Revolutionary Artibonite Resistance Front torched the police station of Gonaïves. Armed men flung open the doors of an adjoining prison, releasing about 100 inmates, and many city residents fled as the homes of Aristide supporters were burned to the ground. By the weekend, the scene in Gonaïves had grown increasingly chaotic and violent. Mutilated corpses were dragged through the streets and at least a dozen policemen were lynched. Buteur Métayer, brother of the slain Amiot, claimed responsibility for the attack.

Almost simultaneously, former Haitian police chief Guy Philippe opened up a second flank, crossing over the eastern border from the Dominican Republic. Philippe soon emerged as the cherubic public face of an uprising that rolled with surprising ease through northern Haiti. At his side was Louis-Jodel Chamblain, a leader of the notorious Fraph paramilitary group responsible for hundreds of political killings during the military regime that ousted Aristide and ruled from 1991 to 1994. Youthful and charismatic, Philippe became an unlikely and controversial folk hero as his campaign progressed, with hundreds of recruits joining his "rebel army."

On February 7, as Aristide commemorated the third anniversary of his inauguration as president in Port-au-Prince, the important port city of St. Marc slipped beyond government control. Soon thereafter, state police forces were driven from at least a dozen towns. In many towns, police stations were burned

and residents fled with their belongings. Although the death toll remained well below a hundred, scenes of increasingly gruesome violence were reported: people burned alive, corpses bound and shot execution style or hacked by machetes. Haitian police officers and Aristide loyalists appeared to have suffered most of the casualties.

Preoccupied with the situation in Iraq and accustomed to bad news coming out of Haiti, the United States was slow to come to grips with the seriousness of the threat posed by the rebel groups. On February 9, State Department spokesman Richard Boucher described the situation as "very complicated," adding that the Haitian government's response had "contributed to the violence." The following day, Secretary of Defense Donald Rumsfeld made clear that any speculation about a renewed American military commitment to Haiti was premature: "Needless to say, everyone's hopeful that the situation, which tends to ebb and flow down there, will stay below a certain threshold."

While the spreading violence in Haiti appeared to catch the Bush administration off guard, it also exposed the deep fissures in Washington regarding the rule of President Aristide. It was clear that Aristide's polarizing politics had cost him the significant support he had once enjoyed during the Clinton administration. While US Republicans were always skeptical of Aristide's leftist politics, his government's record of poor management and lack of accountability increasingly alienated the broader international community. Still, few Democratic legislators were willing to countenance his violent

removal by criminal elements. Democratic Senator Bob Graham of Florida criticized the Bush administration for its "indifference," arguing that "if we continue to wait for a political solution, the country will be controlled by armed gangs, drug dealers, and thugs." Representative John Conyers of Michigan, dean of the Congressional Black Caucus, declared that "we are looking at yet another grab for power by some of the same death squads that ravaged Haiti several years ago." He and other legislators urged the United States to enter Haiti to set up a "humanitarian zone" to enable the delivery of vital food supplies.

Splits soon became apparent within the Bush administration as well, with Secretary of State Colin Powell putting forward the increasingly lonely view that Aristide was a democratically elected head of state and the United States would not tolerate his removal by force. Speaking before the Senate Foreign Relations Committee on February 12, Powell flatly declared that "the policy of the administration is not regime change. President Aristide is the elected president of Haiti." Yet a range of US officials were arguing both privately and publicly for "changes in the way Haiti is governed," or, more specifically, "changes in Aristide's position." As the days wore on, the chasm between Powell and his colleagues continued to widen. By mid-February, the State Department's public statements were emphasizing that "much of the violence that we see now is being created by gangs that were once aligned with the Aristide government," while downplaying the fact that former military officers were at the root of the current bloodshed. Meanwhile, Powell warned that "since [Aristide] is the elected leader of Haiti, we should not be putting forward a plan that would require him to step down."

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THE TURNING POINT

A crucial turning point came during the third week of the uprising. On February 21, Assistant Secretary of State Roger Noriega joined a delegation of senior envoys—including representatives from Canada, France, and Latin America—to promote a proposal that would allow Aristide to finish his term if he accepted an opposition prime minister and a multiparty cabinet. Aristide accepted the plan, but the mission failed when opposition groups continued to insist on "option zero": Aristide's immediate resignation. On February 22, Philippe's forces seized control of Cap-Haitien, the important northern port that is, with 500,000 residents, Haiti's second-largest city. Between trips to the local Western Union to pick

up funds wired from Haitian expatriates in the United States and Canada, Philippe gave wide-ranging interviews to the Associated Press and other media outlets. When asked whether he was in communication with the political opposition, he reportedly smiled and said, "not officially." While it remains unclear whether Philippe was coordinating strategy with the political opposition, there is little question that his military assault provided badly needed leverage to the campaign to unseat Aristide. On February 23, Powell called opposition leader Andy Apaid to pressure him to accept a plan that would leave Aristide in office under a power-sharing deal. The opposition was granted a 24-hour extension to consider the proposal, but ultimately refused to compromise.

Aristide, for his part, vowed to maintain his grip on the presidency. At a ceremony held for slain police officers, he declared, "I am ready to give my life if that is what it takes to defend my country." He also pleaded for outside intervention to help save his government, saying, "I ask the international community to hurry up and prevent the flow of blood. . . . Hurry, hurry, stop the terrorists." On February 25, however, President Bush made clear that the United States required a political solution before international troops would be provided: "We still hope to be able to achieve a political settlement between the current government and the rebels."

But the prospect for a diplomatic outcome appeared increasingly remote. French Foreign Minister Dominique de Villepin outlined a plan that called for Aristide's voluntary departure and the immediate formation of a UN-backed security force to restore order in Haiti and support a government of national unity. Aristide's relations with France had already been strained by his campaign to win nearly \$22 billion in restitution for fees paid by Haiti to its former colonizer in the early 1800s. On February 26, stressing that Aristide "bears grave responsibility for the current situation," France was the first to put forward the blueprint for a political solution without Aristide. Faced with an unyielding political opposition, dwindling popular support, rebel forces vowing to enter Port-au-Prince by the weekend, a state police force in tatters, and the United States and France unwilling to send troops without a diplomatic solution, Aristide's position had become untenable. In a peculiarly Haitian version of the reality show *Survivor*, Aristide was being voted off the island.

ARISTIDE'S FLIGHT

On Sunday, February 29, President Aristide fled Port-au-Prince aboard an airplane chartered by the United States. Before leaving, he submitted a letter of resignation to US embassy officials, which said, in part: "If it is my resignation that will prevent a bloodbath, I agree to go with the hope that there will be life and not death." Yet his sudden departure left the State Department scrambling for an appropriate destination. Panamanian President Mireya Moscoso had offered asylum, but it would have proved an awkward destination for Aristide; the country was already hosting former Haitian General Raoul Cédras, who had ousted Aristide in the 1991 coup. After a refueling stop in Antigua, the plane took off across the Atlantic without a confirmed destination. Morocco refused asylum, and South African President Thabo Mbeki was reluctant to take in Aristide prior to his upcoming elections. About 20 minutes

before landing, Aristide was informed that he was being received by the Central African Republic, a destitute country where President François Bozize seized power in a coup the previous March. Within 24

hours, Aristide was accusing the United States of engineering his ouster. "They used pressure to push me out," he claimed, saying he was the victim of a "coup d'état" and a "modern kidnapping."

The news of Aristide's abrupt departure fanned the flames of partisanship in Washington. Appearing on ABC's *This Week*, Representative Charlie Rangel (D-NY) charged that "we are just as much a part of this coup d'état as the rebels, as the looters, or anyone else." Several days later, in a remarkably bitter congressional hearing, Assistant Secretary Noriega faced a battery of questions by House Democrats. Barbara Lee (D-CA) asked "is our country supporting and sanctioning the overthrow of Aristide by giving a wink and a nod to the opposition?" Noriega assured that "President Aristide's departure was never a demand by the United States," but cautioned that "Aristide and his successors undermined the rule of law by relying on criminal gangs." While Democrats at the hearing visibly seethed at the Bush administration's abandonment of Aristide, Republican legislators such as Florida's Porter Goss (who was later appointed to head the Central Intelligence Agency) praised Noriega's efforts in Haiti: "I congratulate you for arranging for, under difficult circumstances, a safe departure for Mr. Aristide."

The Bush administration has been quick to extricate itself from any military commitment in Haiti.

Perhaps Aristide's most incendiary charge was that he had been "kidnapped" by US forces, but this accusation was roundly dismissed by Bush administration officials. The White House called the claim "complete nonsense," and Powell and Noriega respectively described the allegation as "absurd" and "extraordinarily irresponsible." Rumsfeld said he "would be amazed if that were the case." While the scene of Aristide's departure has been described as one of confusion, there seems to be little evidence that disputes that he boarded the plane willingly, if only because all other options had been systematically removed during the course of the rebellion. At that point, his presidency had succumbed to forces beyond his control. His political opponents refused to join a national unity government under Aristide, rendering impossible the diplomatic settlement required by the United States and France before peacekeepers would be deployed. Meanwhile, rapidly advancing rebel leaders vowed that "Aristide has two choices: prison or execution by firing squad." Although his arrival in the Central African Republic was undoubtedly a bit of a surprise, Aristide almost certainly knew that he was leaving Haiti permanently when he departed on the morning of February 29. Perhaps Vice President Dick Cheney put it best: "Mr. Aristide had worn out his welcome."

THE CARETAKERS

In the wake of Aristide's departure, it became clear that the violent uprising that swept through Haiti had taken a brutal toll. With the national police force melting away in most parts of the country, any semblance of the rule of law evapo-

rated. Although there was no definitive body count from the conflict, estimates ranged to the several hundreds, and thousands more were deprived of food, clean water, and medical treatment when scores of international aid workers evacuated the country. In Port-au-Prince, many businesses and private homes were ransacked in a wave of looting and arson. Philippe and his troops swept into the capital to popular acclaim, while many former Aristide supporters went into hiding or were eliminated through reprisal killings. Reports of extrajudicial killings, kidnappings, and disappearances mounted. Dozens of police officers had been killed during the rebellion, but little effort was made to bring their killers to justice. The discovery of \$350,000 in decomposing dollar bills below one of Aristide's residences fueled allegations of corruption, and his militant supporters were blamed for much of the ensuing violence.

*The implosion of Haiti's political system
has also tarnished US aspirations to
build democracy beyond its borders.*

On learning of Aristide's resignation, the UN Security Council held an emergency session on the evening of February 29 and passed Resolu-

tion 1529. It authorized the deployment of a US-led Multinational Interim Force, to be replaced in 90 days by a UN stabilization force. Within a week, more than 2,000 international troops were dispatched to Haiti. (The deployment eventually reached about 3,500 troops, including 2,000 from the United States and 800 from France, with the remainder coming from Canada and Chile.) On March 1, 2004, Powell informed CNN that "we have ways of talking to the various rebel leaders" and assured "they said they are not interested in violence anymore and they want to put down their arms."

The 15-member Caribbean Community (Caricom) was scandalized by the apparent toleration of Aristide's ouster and issued a critical statement: "the removal of President Aristide in these circumstances sets a dangerous precedent for democratically elected governments anywhere and everywhere." Caricom called for a UN inquiry into the events surrounding Aristide's ouster and later refused to recognize Haiti's interim government, a standoff that remains unresolved. On March 15, Aristide flew to Jamaica, incensing the Bush administration and the interim government in Haiti. After spending 10 weeks on the island, he took up permanent residence in South Africa.



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Meanwhile, Aristide's ouster was quickly papered over by a constitutional transfer of the presidency to Supreme Court Chief Justice Boniface Alexandre. A three-member commission was formed to begin the process of assembling a new government. This tripartite group—consisting of former Lavalas minister Lesley Voltaire, opposition Senator Paul Denis, and UN Development Program representative Adama Guindo—in turn selected a seven-member Council of Wisemen (*Conseil des Sages*), charged with appointing an interim prime minister and confirming his cabinet. They settled on Gérard Latortue, who emerged as a surprise compromise candidate following an extensive interview from his home in Boca Raton, Florida. Aged 69, Latortue had briefly served as foreign minister in the 1980s and had spent most of his career as a respected professional in the UN agency system. Latortue quickly assembled a cabinet of principally nonpartisan technocrats, although several opposition figures landed key posts. Philippe, after rolling uncontested into Port-au-Prince in early March, remained at large, despite earlier pledges to help the interim government restore security in the countryside. Lavalas found itself without representation.

CONTINUED INSTABILITY

Talk of national reconciliation quickly dissipated in the early weeks of Latortue's tenure. In late March 2004, he referred to the rebels that ousted Aristide as "freedom fighters" at an outdoor rally in Gonaïves, irritating the US government, which had escorted him to the event in a US army Black Hawk helicopter. Herard Abraham, a respected Haitian army officer and runner-up for the prime ministerial post, formed a commission to study the reconstitution of the Haitian military. Justice Minister Bernard Gousse showed little enthusiasm for prosecuting the rebels, instead focusing on crimes committed by Aristide loyalists. In April, a convicted death-squad leader from the Fraph years, Louis-Jodel Chamblain, surrendered to Haitian authorities; by August, he was a free man, acquitted of all charges. In contrast, former Lavalas Prime Minister Yvon Neptune was arrested within days of the departure of US troops in late June, and he remains in prison awaiting trial in connection with the killings of Aristide opponents in St. Marc during the rebellion.

The international community, for its part, has struggled to turn its initial pledges of aid into reality. Although \$1.3 billion in assistance was

promised at a World Bank-sponsored donor conference in July, the combination of fickle foreign donors and an inept Haitian bureaucracy has held up the delivery of foreign aid. The United States, anxious to limit its military commitment, has handed over authority to the Brazil-led UN Stabilization Mission in Haiti. Charged with aiding the disarmament process and paving the way for new elections, the UN mission languished for months with troop levels far below the 6,700 peacekeepers and 1,622 police officers called for by its UN mandate. In the fall of 2004, an explosion of violence erupted in Haiti on the anniversary of Aristide's initial overthrow in September 1991, sparking concerns that the UN forces were failing to improve security in the country. The mission received a six-month extension in November, and has finally exceeded 6,000 troops, mainly from other Latin American nations including Argentina, Chile, Peru, and Uruguay. Although saddled with the logistical difficulties of managing contingents from 41 countries, in December the UN mission showed signs of establishing a more robust presence, taking back several police stations in the Cite Soleil slums in Haiti's capital city.

Aristide's shadow continues to loom over Haiti's fragile political process. Representatives from his Lavalas party have boycotted the provisional electoral council charged with setting up new elections. Since September, more than 100 people have been killed by violent gangs thought to be politically affiliated with the former president. Several bodies were found beheaded in the capital in an outburst called "Operation Baghdad." Haiti in recent months has moved toward a prime ministerial system, with Latortue holding most authority while President Alexandre is little more than a figurehead. But any future election is likely to revive the tradition of a strong president and weak prime minister. In an effort to quash speculation that Aristide might return to Haiti as a viable political figure, the interim government is considering an indictment of the former president on charges of corruption and drug trafficking. His lawyer has rejected the accusations as "totally false and politically motivated," while others point to the rebel groups as the most deeply implicated in Haiti's narcotics trade. At 51, Aristide himself appears to be settling into exile and has accepted an appointment as a research fellow at the University of South Africa. Yet Aristide's legacy remains deeply divisive within Haiti and his violent ouster will certainly provide the context for any future elections.

AMERICA'S ROLE

Given the torrent of maladies that Haiti has suffered in the year since Aristide was forced from power, it is tempting to conclude that the country lies beyond the edge of hope. The bleak panorama of economic privation and defective institutions has emboldened criminal elements and left the interim government and the UN stabilization mission on the defensive. The fragility of Haitian society and the intractable nature of its political culture have thwarted democracy-building efforts in the past. The country's current political landscape offers little hope that new elections in 2005 will yield the kind of leadership that can steer Haiti away from the cyclical brutality of its past and toward a freer and more modern future. In order to move the country forward, Haitians will need the sustained assistance of the international community, especially the United States.

Early signs are not promising. Despite its involvement in the events surrounding Aristide's ouster, the Bush administration has been quick to extricate itself from any military commitment in Haiti, promptly handing over control to the UN stabilization mission that was woefully understaffed throughout the summer and fall of 2004. Concerned that the US withdrawal would be interpreted as "the end of support of the American government" for the Haitian transition process, Prime Minister Latortue pleaded for a continued presence, saying that "even if we have 100 [US troops] it is better than nothing." Yet the number of American forces in Haiti rapidly shrank to three US military personnel and one US Coast Guard officer. Meanwhile, the challenges posed by attempts to disarm Haitian gangs and rebels threaten to derail efforts to prod the country

back toward democratic rule. In a visit to Haiti in December, Secretary Powell emphasized the need to "forcefully take on armed individuals" in order to prepare Haiti for elections, yet the United States is conspicuously absent from the coalition of soldiers charged with undertaking this task. The White House has also demurred from supporting a preferential trading bill for Haiti under consideration on Capitol Hill, thereby squandering an opportunity to promote job creation in the destitute country.

On the day of Aristide's departure, President Bush declared that "this government believes it essential that Haiti have a hopeful future. This is the beginning of a new chapter in the country's history. I would urge the people of Haiti to reject violence, to give this break from the past a chance to work. And the United States is prepared to help." For reasons of history and proximity, the United States is destined to play a central role in the success or failure of Haiti. Haiti represents, moreover, both the hemisphere's most important democracy-building test and the leading threat of state failure. In his second term, Bush should consider appointing a special White House envoy to Haiti, evaluate the merits of US military and police participation in the disarmament process, and ensure that American diplomacy is effectively promoting national reconciliation and paving the return to democratic governance. If Haiti is to avoid repeating its tragic history, then the United States must replace its own cycle of intervention and neglect with a forward-looking strategy for its troubled neighbor. In 2005, events will show whether the United States will seize the opportunity to help Haiti rejoin the hemisphere's community of democracies, or if Haiti will simply be returned to the backburner of US foreign policy until it boils over once again. ■



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