

HEMISPHERE HIGHLIGHTS

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Upcoming Events

November 10

9:30 a.m. - 12:30p.m.

"Latin America: Hydrocarbons
at a Crossroads"

November 14

9:00 a.m.-2:00 p.m.

"Controlling Corruption in
Local Governments
in Latin America"

December 2

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

Cuba Outlook Series: "Cuba's
Economy; Prospects
for Change"

"Harper's Conservatives won the October 14 federal election with a strengthened minority government, increasing their number of MPs by 19 to hold 143 of 308 seats in Parliament."

Headlines

The newly reelected prime minister of **Canada** announces his appointments of ministers for the new cabinet. Riots in prisons across **Mexico** over the last two months point toward a crisis in the country's penitentiary system, and Mexico signs an agreement with **Cuba** to cooperate on reducing illegal immigration between the two countries. **Guatemala** appoints its first ever female director of the National Civilian Police. The 13 nations of **CARICOM** sign an Economic Partnership Agreement with the European Union. The UN Security Council renews the organization's peace operations mandate in **Haiti**. President Uribe sacks 24 high-ranking military officers in **Colombia** amid allegations of human rights violations. **Venezuela** lobbies OPEC to cut oil production. **Brazil** signs an offshore exploration deal with Cuba. The government and the opposition parties in **Bolivia** reach an agreement on a constitutional reform package. A dispute between **Ecuador** and a Brazilian construction firm cools relations between the countries.

North America

Canada

On October 30, Canadian prime minister Stephen Harper unveiled the line-up of cabinet ministers for his next administration. The appointments included a diverse mix of new and old faces, as well as three female first-time members of Parliament (MPs). Among these is Canada's first ever cabinet minister from the arctic territory of Nunavut, Leona Aglukkaq, who was appointed minister of health. The top diplomatic post of minister of foreign affairs went to the former minister of transport and infrastructure, Lawrence Cannon. Harper's Conservatives won the October 14 federal election with a strengthened minority government, increasing their number of MPs by 19 to hold 143 of 308 seats in Parliament. The Liberal Party took 77 seats, the Bloc Québécois won 49, and the New Democratic Party (NDP) secured 37, with two seats going to Independents. The Conservatives picked up seats in most of the Canadian provinces but were unable to improve their standing in Newfoundland or the important battleground of Quebec, costing them their eagerly sought majority (155 seats). This will be Canada's third straight minority government. Harper's appointment of veteran cabinet minister Jim Prentice to the environmental portfolio signals an acknowledgement that the environment will continue to be a priority in Canadian politics in the coming parliamentary session—the new minister will face challenges such as opposition demands for new climate change policies, issues related to development of the Alberta oil sands, and expected environmental policy negotiations with the United States. The economy, however, is expected to dominate the agenda in the coming months. Jim Flaherty will maintain his position as minister of finance, emphasizing stability in an uncertain economic climate. Parliament is set to reconvene on November 18. *Voter turnout in this federal election was the lowest in Canada's recorded history at 59.1 percent, with an overall drop in the number of ballots submitted for each of the country's four major parties. These numbers follow a decades-long trend of steadily decreasing participation rates in Canadian elections, but while the decrease was marginal for the Conservatives, Bloc, and NDP, the number of Liberal voters fell by 850,000—a precipitous drop of nearly 19 percent compared to the 2006 numbers. According to the Strategic Council, a Canadian market research firm, 45 percent of Liberal supporters who were polled the weekend before the election indicated that they were either*

Recent Events

October 17

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

Cuba Outlook Conference:
"Raúl and Beyond"

"Law enforcement analysts attribute the increasing levels of violence within Mexican prisons to the government's crackdown on narco-traffickers."

considering switching parties or that they might not vote at all. Some analysts have surmised that it was the lackluster campaign performance of Liberal Party leader Stéphane Dion that failed to energize the Liberal voter base to come out to the polls. Dion announced on October 21 that he would step down as Liberal leader as soon as the party elects a new chief, which is expected to happen in May 2009.
Jessica Horwitz

Mexico

A series of riots in prisons across Mexico over the last two months points toward a crisis in the country's penitentiary system. Highlighting persistent problems related to overcrowding, faulty infrastructure, and internal corruption, the uprisings at facilities in the states of Sinaloa, Baja California, Nuevo León, Tabasco, Zacatecas, and Tamaulipas have left more than 60 prisoners dead, with dozens wounded. During the confrontations, inmates faced off with guards and police using arms smuggled into the facilities or by setting fire to mattresses and other combustible articles. Authorities responded to the September 13 riot at Tijuana's La Mesa prison, said to be 200 percent over capacity, by ceasing food and potable water deliveries to prisoners, who instead unleashed a fresh wave of violence within the women's section three days later. Military units were deployed to control unrest at the Topo Chico facility in Nuevo León in early October. At the overcrowded penitentiary in Reynosa, Tamaulipas, 16 were killed during a 12-hour confrontation with state and federal police as well as soldiers on October 20. Directors at La Mesa and the Reynosa prison, from which 17 inmates had escaped two weeks earlier, have been removed from their posts as officials grapple with the many problems afflicting the 439 local, state, and federal institutions composing the nation's penitentiary system. *Law enforcement analysts attribute the increasing levels of violence within Mexican prisons to the government's crackdown on narco-traffickers, saying that the incarceration of hitmen and militants from rival drug gangs has led to fierce struggles over internal control within prison walls. Some prisoners incarcerated for lesser crimes protest the presence of the drug traffickers in shared facilities, while others complain about abuses by guards and express discontent regarding inadequate food services and sanitary conditions. To contain the spread of violence within correctional centers and to prevent its spread from prison to prison, some advocates argue that inmates convicted of drug trafficking should be separated from the regular prison population. One idea floated in late 2007 is the conversion of the Islas Marías penal colony, a remote facility located off Mexico's Pacific coast and originally established in 1905 to alleviate overcrowding of mainland prisons, into an exclusive penitentiary for those convicted of narcotrafficking. Separately, at the end of September, President Felipe Calderón proposed a series of changes to the Federal Penal Code, the General Health Act, and the Federal Code on Criminal Procedures to distinguish between criminals and addicts in the war on drugs, promoting health services for those arrested with small amounts of drugs for personal use while stiffening penalties for drug dealers and traffickers. Meanwhile, in late October government officials, academics and penal reform advocates concluded a three-day international conference in Mexico City during which they discussed the implementation of reforms to the penal system.* Katherine E. Bliss

Mexico has agreed to deport Cubans who illegally enter the country in order to travel to and seek asylum in the United States. On October 20 Mexican foreign secretary Patricia Espinosa and Cuba's foreign minister Felipe Pérez Roque met in Mexico City to sign a memorandum of understanding under which Mexico will return to Cuba illegal migrants who arrive by boat or enter the country from Central America and then journey north. Referring to concerns over violence associated with smugglers who transport would-be migrants from Cuba through Mexico and to the United States, a declaration accompanying the agreement explained that the two countries will facilitate the legal flow of people between them as they work to protect the human rights of illegal migrants, who frequently suffer physical abuse, robbery and exploitation at the hands of the traffickers. Through a working group on migration and consular issues, the two countries will exchange information related

to illegal migration, while the Mexican Navy and the Cuban agencies responsible for border protection will bolster cooperation related to inspecting maritime vessels suspected to be involved in migrant smuggling. The deportations are scheduled to start in late November. *During his three-day visit, Pérez Roque met with Federal District Mayor Marcelo Ebrard, with National Action Party (PAN) congressional leadership, and with President Felipe Calderón, whom he invited to visit Cuba in 2009. Pérez Roque's meeting with Calderón represents the highest-level visit between the two countries since 2002, when former Mexican president Vicente Fox (2000—2006) visited the island. Mexico and Cuba have historically enjoyed close relations, which leaders have attributed to the neighbors' shared revolutionary heritage and adherence to the principle of non-intervention in other countries' internal affairs. However, Fox's decision to meet with political dissidents while in Cuba, and Mexico's subsequent votes at the UN Human Rights Commission in favor of resolutions calling for examination of human rights in Cuba, led to tensions, which culminated in Fox's recall of Mexico's ambassador to Cuba and expulsion of Cuba's ambassador to Mexico in 2004. The countries repaired their diplomatic ties later that year, but relations had remained lukewarm. The agreement with Cuba is the first migration accord that Mexico has signed as a recipient or transit country. In recent years, the number of Cubans traveling through Mexico to reach the United States has risen, as strengthened surveillance by the U.S. Coast Guard has made Cuban migrants' traditional water route to southern Florida more difficult. Since 1966 the U.S. Cuban Adjustment Act (CCA) has granted most Cubans who reach U.S. soil residency after one year. The Department of Homeland Security estimates that more than 11,000 Cuban migrants reached the United States from Mexico in 2007. Katherine E. Bliss*

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Central America

Guatemala

Marlene Blanco Lapola of Guatemala assumed the post of Director of the National Civilian Police (PNC) on September 28. Blanco Lapola, the first woman in Guatemalan history to be named as head of the PNC, set the key goal of reinstating trust between the police and the citizenry in a speech delivered upon assuming office. Since its establishment in 1997, the PNC has been broadly accused of corruption, with reported links to organized crime and drug trafficking. To fight the pervasive corruption within the force, Blanco has indicated that she intends to focus on two key areas: purging the institution of its corrupt elements, and raising the morale and dignity of the force by increasing salaries and improving working conditions. She has also made reducing domestic violence and bringing to justice those who perpetrate crimes against women priorities for the PNC. Since 2005, only 2 percent of reported crimes against women, such as rape, homicide, and assault, have been solved. *President Álvaro Colom's appointment of Blanco gives weight to the country's Law Against Femicides, passed by the legislature in April of 2008. The law explicitly criminalizes physical, psychological, economic, and sexual crimes against women, increases prison sentences for perpetrators, and for the first time, distinguishes general violent crimes from those intentionally aimed at women. Guatemala currently has the third-highest rate of crimes against women in Latin America, (after Mexico and El Salvador,) with 61 percent of these crimes stemming from domestic violence. Blanco plans to reduce impunity levels by training officers to complete adequate crime scene investigations; creating a DNA database of suspected criminals of rape and violence against women, and that of disappeared women; and by addressing domestic violence as a public responsibility and not a private issue. A recent poll released in October revealed that 60 percent of Guatemalan women believe domestic violence is a family matter, which helps explain why so few women report spousal abuse. Blanco faces many challenges in achieving these goals, including a problem of violence against women within the PNC itself, due in part to a failure by the PNC to provide safe accommodations for women on assignments. Most PNC buildings do not have separate restrooms and dormitories for female officers. It remains to be seen if Blanco will be able to promote the Law Against Femicides while at the same time reducing corruption and gaining the support of her male officers. Cassia Roth*

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Caribbean

Regional

On October 15, 13 out of 15 members of the Caribbean Community (CARICOM) signed an Economic Partnership Agreement (EPA) with the European Union after four years of negotiation. Under the deal, almost all Caribbean exports will receive duty-free and quota-free access to Europe while the Caribbean nations will phase out their duties on 87 percent of European imports by 2033. Exceptions will be made for certain strategic exports such as sugar, and the European Commission has announced that it will mobilize 165 million euros to assist the CARICOM members in implementing the terms of the accord. The agreement includes the Dominican Republic and Suriname, but not Haiti, which has delayed its signing. Haiti has been given until 2010 to sign thanks to its status as a least developed country. *The root of opposition to the EPA in Guyana, Haiti, and elsewhere lies in its intellectual property rights clause that many fear will result in an increase in pharmaceutical patents in the Caribbean which will in turn lead to higher medicine prices, as well as the expenses that the agreement will require to implement, which many experts estimate will be higher than the assistance offered by the European Commission. Some critics also argue that the agreement shifts attention away from more urgent development policies. Nevertheless, Guyana signed the agreement to avoid the threatened duties—53 percent of its imports from Europe currently come in without tariffs and its commodity exports to the region are a major source of revenue. President Bharrat Jagdeo said that he will push for a review of the EPA every five years as a condition of signing, because a provision of the agreement will require CARICOM to extend to Europe any benefits it grants to other countries in the future. Haitian approval is likely to follow in the near future. Supporters of the deal expect that it will produce a surge in trade between the two regions.* **Matt Potter**

Haiti

On October 14, the UN Security Council renewed the UN peace operations mandate in Haiti (MINUSTAH). In the two months since four hurricanes battered Haiti, recovery efforts are still underway to restore vital infrastructure. The World Bank estimates damages at close to \$1 billion. A recent visit by World Bank president Robert Zoellick confirmed the scope of the devastation, noting that it was as if Hurricane Katrina had hit all of the United States. All major bridges sustained some damage. Infrastructure repair will be a major priority. The city of Gonaives, the hardest hit and was built on a flood plain, was totally destroyed—most of its 250,000 residents were displaced, and 800 were killed. Mud still engulfs so many homes and businesses that recent UN engineering assessments say it will take at least 2 years to dig the city out. *For the poorest nation in the Western Hemisphere (90 percent of the population lives on less than \$2 a day) these natural disasters have undermined many of the reconstruction projects that had been trying to address such issues as deforestation, rural development, and education. The renewal of MINUSTAH underscores the long-term nature of the recovery, and also the ongoing need for security for Haiti, something that the government alone cannot provide. Ironically, the hurricanes did have a positive impact on the crisis of governance. Until the storms hit, a political impasse arising from the April 2008 resignation of Prime Minister Edouard Alexis had left Haiti without a government. The country's legislature blocked several attempts to by the Préval government to obtain approval on a new prime minister. As the devastation from the first hurricane in August took its toll Préval was able to push through his candidate, Michele Pierre-Louis. Since her confirmation in August she has been operating a country under emergency conditions. But she formed a cabinet, and moved the international community toward financial support for the recovery effort. Due to her skilled actions with donors, the United Nations and the World Bank have increased their willingness to deliver aid to the government and help reinforce the state. Rather than rely only on NGOs, as has been the custom in the past, this new trend to work with the Haitian government marks*

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a different approach. Only if the Haitian state can emerge with some capacity to administer to its citizens will there ever be progress in sustaining the security gains provided by the presence of a UN peace operation. On disappointing note is that the U.S. government, while suspending deportations to Haiti in the wake of the hurricanes, has yet to give Haitians illegally living in the U.S. temporary protective status that many in Congress requested. This issue will likely reemerge after the elections, especially since precedent for this type of executive action has been common in such cases as Hurricane Mitch, which inflicted great harm to Honduras. **Johanna Mendelson Forman**

South America

Colombia

During October, the Colombian government was strongly criticized by leading human rights organizations for extrajudicial killings and other violations while President Uribe sacked two dozen military officers allegedly linked to such matters. Amnesty International released a 94-page report on October 28 which, while acknowledging progress by the Colombian government in improving some human rights indicators such as kidnappings and security, claimed that other indicators have deteriorated, including extrajudicial killings by security forces, attacks against human rights defenders, and internal displacements. Human Rights Watch also released a report accusing the Colombian government of hindering investigations into "parapolitica" cases by attempting to discredit the jurisdiction of the Supreme Court. On October 29, Uribe announced the sacking of 24 members of the Colombian military, including some top commanders, for cases involving extrajudicial killings. The attorney general's office, meanwhile, is conducting a large number of investigations into such illegal executions. *Uribe's step was unprecedented for his presidency (President Andrés Pastrana had fired a large number of military officers for alleged ties to paramilitaries) in terms of numbers and rank of the persons discharged. Reports of such killings have circulated for some time and President Uribe used the sackings to send a message to his own armed forces and to the international public.* **Jorge Mora**

"Reports of such killings have circulated for some time and President Uribe used the sackings to send a message to his own armed forces and to the international public."

Venezuela

Acting quickly to address a collapse in the price of oil, Venezuelan minister of energy and petroleum Rafael Ramírez joined the Iranian minister of petroleum in making the case for a cut in oil production of 2 million barrels a day at an emergency Organization of the Petroleum Exporting Countries (OPEC) meeting on October 24. However, the 1.5 million barrel a day production cut that was agreed on may not be sufficient in controlling the effects of the sudden drop in petroleum prices to less than half of what they were in July—from peak prices of nearly \$150 per barrel to current prices of under \$70 per barrel. While President Hugo Chávez claims that even at \$7 per barrel his government's political agenda would not falter, the national budget for 2009 is based on a projection of \$60 per barrel, uncomfortably close to the real price of lighter, sweeter crude today. Venezuela relies on revenues from oil sales for half of its government income and 80 percent of its export earnings. According to the Energy Information Agency, Venezuela is the sixth-largest exporter of oil and ranks ninth in the world in total oil production. *Falling oil income is going to force spending constraints on the Venezuelan government and Chavez will be forced to decide which of his expensive pet projects to cut. Prior to the rapid decline in the price of oil, revenues from the Venezuelan national oil company PDVSA (Pétroleos de Venezuela, S.A.) fueled a growth in domestic spending on social programs to reduce poverty and bolstered Chávez's popularity at home. Internationally, Chávez relied on his nation's oil wealth to expand his influence in Latin America by providing subsidized petroleum to the Caribbean countries, buying up Argentine debt and financially supporting Bolivia and Nicaragua. He also agreed to purchase billions of dollars worth of arms from Russia and attempted to strengthen Venezuela's economic and political relationship with China. Currency reserves from previous windfalls will cushion the immediate impact of falling prices. However, Chavez faces many challenges, the first of which is to get through the regional elections scheduled for this month.* **Alaina Dyne**

"While President Hugo Chávez claims that even at \$7 per barrel his government's political agenda would not falter, the national budget for 2009 is based on a projection of \$60 per barrel, uncomfortably close to the real price of lighter, sweeter crude today."

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“The political deadlock was broken in what has become standard procedure in Bolivia, with the government ratcheting up the stakes by calling crowds of supporters into the streets, threatening to force the decision through, and then negotiating.

Brazil

Brazilian president Luiz Inácio Lula da Silva traveled to Cuba on October 31, his third trip to Cuba since he took office, with the objective of strengthening bilateral relations on the countries' areas mutual interest: energy and trade. During the brief visit, an agreement between the Cuban state-owned Cubapetroleos (Cupet) and Brazilian oil company Petrobras was signed in Havana. Cuba's offshore oil has already attracted six other oil companies, including Spanish owned REPSOL and Venezuela's PDVSA. Brazil's Petrobras will invest \$8 million in oil exploration. Brazil has also been engaged in supporting Cuba's renewable energy industry, bringing technical capacity from Brazil's successful ethanol industry to Cuba. *It is not a coincidence that building up such an energy industry so close to the U.S. market is something both countries consider an important potential move for additional investment. It was therefore not surprising that President Lula also used this recent visit to invite Cuban president Raúl Castro to the December 16-17 Summit on Latin America and the Caribbean, to be held in Salvador, Brazil.* Johanna Mendelson Forman

Bolivia

On October 21 the Morales government and a faction of Bolivia's divided opposition reached agreement on a constitutional reform package, easing the severe political crisis that had been coming to a head. In the wake of his August victory in a presidential recall referendum, Evo Morales had vowed that he would "by hook or by crook" ("de las buenas o de las malas") obtain ratification of a new constitution for Bolivia that had been drafted by his Movement to Socialismo (MAS) party. He needed Congress to approve legislation setting a date for the referendum but the opposition-controlled Senate would not budge. In classic fashion, Morales called on his campesino and cocalero supporters in the provinces to march on La Paz to pressure the Senate into action. As thousands of demonstrators poured into the city, government and opposition figures huddled for 12 days over changes to the constitution and finally arrived at a consensus text when reportedly 7 opposition senators and 15 deputies joined the MAS in voting for approval. This broke the impasse, with January 25, 2009 as the date set for the constitutional referendum and December 2009 for general elections called for under the new constitution. More than 100 of the 411 articles in the MAS constitution were changed, including some of the most fundamental points. The government side agreed to limit the presidential time in office to one term of four years, rather than the two terms in the original draft, thus limiting Morales' tenure to one more term. Another important concession established that further amendments to the constitution would have to be supported by a two-thirds majority in Congress rather than simple majority. On the sensitive land tenure issue, the new constitution calls for a referendum on whether to limit private holdings to 5,000 or 10,000 hectares (the previous draft limited it to 5,000) but grandfathered in current holdings above 10,000 hectares, a key item for the "media luna" oppositionists. Other key changes in social security, state control over the economy, central authority, regional autonomy, and the administration of justice made the text more palatable for the opposition. Not all sectors of the opposition approved the plan, however, underscoring regional and personal divisions that had surfaced over the past months. Key regional opposition leaders in Santa Cruz and Beni departments denounced the agreement in the strongest terms and have vowed to work for a "no" vote in the referendum. The government, meanwhile, predicts that the new constitution will be overwhelmingly approved in January. *The political deadlock was broken in what has become standard procedure in Bolivia, with the government ratcheting up the stakes by calling crowds of supporters into the streets, threatening to force the decision through, and then negotiating. In fact, the approval of the original constitution that had been drafted by the MAS and approved in the dead of night with opposition figures excluded would have left the Morales government vulnerable politically and it subsequently agreed to adjustments needed to satisfy enough of the opposition to get it approved. According to the Minister of Rural Development Carlos Romero, this was the MAS' tactic from the start, to "radicalize" the text of the constitution as a bargaining chip. La Paz' prestigious newspaper La Razón*

termed the deal "a hopeful agreement" that will buy political peace for the next 14 months. While violent confrontation was avoided and a degree of operational consensus achieved, Bolivia remains a society deeply divided by region, ethnicity, politics, and economics - a divide that will require a sustained effort from both sides to breach. Peter DeShazo

Ecuador

A heightened dispute between the government of Ecuador and a prominent Brazilian construction firm cooled bilateral relations during October. On the eve of the September 28 constitutional plebiscite, Ecuadoran president Rafael Correa announced that he was expelling Brazil's giant construction firm Odebrecht from the country and ordered troops to occupy the sites of four projects developed by that firm, including the San Francisco hydroelectric project inaugurated in 2007. Ecuador had earlier sought redress from Odebrecht for machinery and other faults in the San Francisco project. Odebrecht responded by offering to set aside \$43 million to correct the problems, a deal rejected by the government of Ecuador when President Correa announced that he had signed a decree on October 9 confirming the suspension of Odebrecht's four projects and the expulsion of its executives from Ecuador. The decree also ordered that the legality of the credit agreement for funding the San Francisco project between Ecuador and the Brazilian Development Bank BNDES be evaluated. Brazil responded to these steps by cancelling the visit of President Lula at the head of a Brazilian trade mission scheduled for later in the month and by warning that if Ecuador refused to pay the debt to BNDES "commerce between Brazil and Ecuador would stop." On October 25 President Correa again blasted Odebrecht during his TV broadcast to the country, claiming that civil and criminal charges for fraud would be brought against the company. While these events transpired, Brazil's national oil company Petrobras reached a one-year agreement with Ecuador on terms involving a lower windfall tax on one of its production blocks in Ecuador while attempting to negotiate a longer-term deal. This agreement came in the face of pressure from Ecuador to adhere to a stringent new petroleum regime or leave the country. *These recent moves by President Correa have further undermined Ecuador's attractiveness for foreign investment at a time when declining oil prices will cut deeper into state revenue.* Alex Demosthenes and Peter DeShazo

"President Correa blasted Odebrecht during his TV broadcast to the country, claiming that civil and criminal charges for fraud would be brought against the company."

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