

**KEEPING DEMOCRACY ON TRACK: HOTSPOTS IN  
IN LATIN AMERICA**

**Statement by:**

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Before the Subcommittee on the Western Hemisphere  
House Committee on International Relations  
United States Congress**

**Room 2172 Rayburn House Office Building  
September 28, 2005**

Mr. Chairman and Members of the Subcommittee I am honored to appear before you today to discuss the challenges that the countries of the Western Hemisphere face in consolidating democratic institutions and practices. Although I am a member of the Board of NDI, the National Democratic Institute for International Affairs, I appear here today in my capacity as a scholar who has focused for the past thirty-five years on the study of the origins, consolidation and reversals of democracy in the Americas.

Mr. Chairman, I was privileged to appear before the Subcommittee on March, 2005 for a hearing that dealt with this same general theme. (And with your permission Mr. Chairman, I would like to include that testimony in the record today, and I have attached it to this statement.) In March, I expressed the view that, despite difficulties and set-backs, the state of affairs in the Hemisphere is still far more auspicious than it was in the decades of the nineteen sixties through the eighties when only three countries in the region, Colombia, Costa Rica and Venezuela avoided authoritarian rule and civil conflicts raged in several countries of Central America. The last quarter century has seen the longest single period in history of continuous democratic rule without sharp authoritarian reversals. The only stark exception to this democratic trend continues to be Cuba.

As I noted in my earlier testimony the single most important change in the region has been the return of the military to the barracks, a pattern that deviates sharply from the overt involvement of armed institutions in the changes of governments in the region. Authoritarian rule ended in part because of the dramatic failure of military led governments to address the economic and social crises that most countries faced, particularly in the aftermath of the sharp economic downturn of the early eighties. The end of the Cold War was also an important precipitating factor as the struggle between competing “utopias”, socialist and free market, dissipated and the United States, rather than tolerating dictatorial rule as an antidote for the growth of Soviet influence, sought to promote democratic governance together with like-minded states in the region. Concerted action through the Organization of American States helped to mitigate crisis while

putting down the marker that deviations from the constitutional order would not be tolerated by the international community.

Many observers have pointed to public opinion research to suggest that the hard-won gains of this era have generally evaporated. Perhaps the most widely repeated statistic is the one cited in the United Nation's Development Program's report on Democracy in Latin America, where 45% of respondents in a survey taken in 2002 say that they would opt for an authoritarian form of government as opposed to a democratic one, if the former solved the country's economic problems. But, that hypothetical question is a highly misleading one--- assuming indeed that authoritarian regimes could solve economic problems. What is remarkable about the question is the fact that over fifty percent of Latin Americans were willing to say that they would oppose an authoritarian regime, even if it solved the nation's economic difficulties--- an impressive figure in societies with deep social inequalities. Indeed professed "non-democrats" do not exceed 30% in the aggregated figures for the region---suggesting that for all the frustrations most Latin Americans understand that democratic governance is a better option, despite disillusionment with particular aspects of democracy, such as parties and legislatures.

And yet, it would be mistaken to assume that the Hemisphere across the board has turned the corner and has embarked on an unhindered path of democratic consolidation. Although military coups have dissipated, in several countries weak governments operating in a framework of weak institutions have had difficulty generating public policies capable of addressing deep-seated social problems. In my testimony in March, I noted that fourteen elected presidents had not been able to finish their terms in office, frequently stepping down in a climate of political instability and social unrest. Unfortunately, in the intervening months a fifteenth president, President Lucio Gutierrez in Ecuador, also had to leave office early in an atmosphere of confrontation and violence.

As I said earlier the institutional deficits in several countries include weak state institutions, deficits in the rule of law and governmental accountability, serious shortcomings in mechanisms of representation, including electoral systems and political parties, and a crisis of governance. The latter phenomenon refers primarily to the difficulties leaders occupying the presidency and those controlling congress have in

structuring viable governing coalitions due in part to the weakness of political parties and in part to the fact that governments are frequently divided governments where presidents face opposition majorities in the legislature with few incentives collaborate with beleaguered chief executives.

Failures of government reflect institutional weaknesses but also the severe challenges that democratically elected authorities face in a continent where over forty percent of the people live in poverty and twenty percent in extreme poverty. The problems are circular. Deep seated social problems make it difficult for governments, even those with sound economic policies, to demonstrate concrete and significant results in the short term, particularly if economic policies don't lead to clear employment growth. On the other hand institutional deficits conspire against the adoption and implementation of wise and successful policies. If we have learned one thing from this transitional phase in Latin American politics it is that first and second generation reforms, such as those aimed at achieving macro-economic stabilization, structural adjustment and privatization, market opening etc..., may be necessary, but are not sufficient. What are critical for the sustainability of these reforms are the so called third generation reforms including the widespread adoptions of transparent rules and procedures, the implementation of the rule of law and the effectiveness of state institutions and policy making bodies.

In last March's testimony I provided an overall view of the continent and discussed in analytical terms the challenges that democracy faces in the region. I also noted how failings in U.S. policy have contributed to the problem. With the focus of this hearing on "hotspots" in Latin America, my objective is to provide a more specific overview on a country and regional basis of the state of democracy in the Hemisphere. I will again conclude with some reflections regarding the direction of US policy.

#### A Tour of the Region: Clearing-up Conceptual Confusion

Mr. Chairman, in developing this argument, I would submit to you that there is considerable conceptual confusion in characterizing the challenges that countries in the region face. The dominant argument one hears, particularly in this town and in the press,

is that the failures of democracy in the region have led to a rise of leftist populism that will further undermine democracy and U.S. interests. Both premises underlying this argument can be questioned—that democracies are failing across the board and that leftist populism is on the rise. I will address each in turn.

Perhaps the most important generalization that we can make about Latin America is that one should not generalize about the region. There is no question that in several countries in the region democracy is under stress and that political and social unrest is likely to continue. These countries are all characterized by a very limited history as fully functioning democracies and include Haiti, Bolivia. Indeed, Haiti has never had a democracy. The only transition from one elected leader took place when Aristide turned over the presidential mantle to President Preval, but the underlying legitimacy of the electoral process left much to be desired. And while Bolivia went through a remarkable period of democratic governance beginning in the eighties, the institutional pillars of that transitional period, including political parties and governing agreements have crumbled as the politics of the street--- a feature of the Bolivian political system going back for decades--- has overwhelmed institutional politics. Even so, it is noteworthy that Bolivia has not fallen back into the throes of military juntas and is searching for an electoral solution for its current crisis. A smooth outcome is unlikely given the increased polarization in the country between regions and the radicalization of opposition groups.

In the Southern Cone of Latin America three other countries present unusual challenges. Like Bolivia, Paraguay has a long history of authoritarianism and one party rule. Public opinion surveys suggest that the authoritarian option continues to be favored by a substantial, though not majority, portion of the population. Ecuador, with its sharp divisions between coast and highlands, its fragmented parties, its unyielding elites and increasingly radicalized indigenous movements will also find it difficult to consolidate democracy despite the absence of overt involvement of the armed forces in politics which characterized its political system throughout the Twentieth Century. The fact that the last three elected presidents did not finish their terms is reminiscent of the fate of President Velasco Ibarra who was elected president five times, only to serve out one full constitutional term.

Venezuela is the only country in the Hemisphere where one can argue that there has been a significant reversal in the democratic process, one beginning before the advent of Hugo Chavez and, indeed, constitutes an explanation for his rise to power. Venezuela, which structured democratic institutions late by comparison with other large countries in the region, built its democratic state and its party system around the distribution to party constituencies of the country's petroleum generated wealth, with both major parties engaging in an elaborate log-rolling strategy that permitted them to benefit while excluding other sectors. The collapse of oil prices meant the disappearance of the political lubricant that kept the system going--- leading to the crumbling of political parties and the rise of leaders with populist appeals culminating in Chavez leftist populism. Ironically, rather than attempting to build a genuinely new institutional base, Chavez through demagogic appeals has set out to do exactly what is much vilified predecessors did--- attempt to distribute oil wealth to his constituents to the detriment of others--- without creating the basis for a political system not fueled by oil. Given the lack of investment in the country and the continued polarization, Chavez runs the risk of collapsing with a significant downturn in the oil economy. Chavez' majoritarian support provides him with the tools to continue to undermine the fundamental architecture of a democracy political system, one in which the rule of law prevails in favor of the protection of minorities and future majorities.

But if the countries just listed are facing serious challenges and democracy is imperiled, it is notable that the picture is far more positive in other countries of the region. Chile stands out as a country that went through a wrenching polarization that brought down one of the oldest democracies in the world, but has managed to rediscover its democratic roots while promoting strong pro-growth policies with policies designed to reduce poverty. Along with Costa Rica and Uruguay, Chile stands out as a country with consolidated institutions, where governments are accountable and the rule of law prevails.

At the same time the largest countries in the region have achieved notable success. Brazil, despite the corruption scandals of the current administration, has remained on a decidedly democratic path while following generally sound economic policies. Argentina after the most devastating collapse of its economy since the great

depression has been able to turn things around within democracy restoring the flagging faith of citizens in democratic leaders and institutions. Colombia, challenged by several armed groups, including powerful criminal organizations involved in the drug trade, has managed with U.S. support to strengthen the institutions of the state, reverse a downward economic trend and restore the faith of citizens in civilian leadership. Mexico, perhaps undergoing the most complex transition of all--- from a highly institutionalized one party state to a competitive democracy—faces serious challenges in avoiding institutional deadlock and moving a public policy agenda forward, but faces no significant danger of authoritarian reversal.

Finally, Central America and the Caribbean, with the notable exceptions of Haiti and totalitarian Cuba, in part due to the increased integration of the region into the American economy and the important role that remittances play (as they do elsewhere) have made strides in strengthening of democratic institutions, with Nicaragua and Guatemala facing the greatest challenges as corruption and personalism continue to hold sway. In sum, Mr. Chairman this is a survey where the glass is half full, not half empty. The greatest challenges lie primarily in the Andean region and in the Caribbean with Haiti and Cuba.

What about the second underlying assumption--- that the region is inevitably moving towards the embrace of leftist populism? Such an observation also does not stand up to analytical scrutiny. We have already seen that the Chavez phenomenon has not been replicated in Brazil, Ecuador, Argentina or Uruguay, despite the election of leaders with support from leftist constituencies claiming a left of center platform. With the exception of Ecuador, leaders have based their elections on strongly constituted political forces that have been around for some time and in office have sought to govern through compromise and conciliation while respecting institutional rules. Indeed most leaders of the left in the region prefer to identify themselves with the Socialist government of Ricardo Lagos in Chile than with the populism of Chavez, and that goes as well for the leading candidate for the Presidency of Mexico who hails from the left.

This does not mean that Chavez has not succeeded in projecting himself as a popular figure in the region—his populist rhetoric and anti-Americanism resonates in a region where U.S. policy in the world is highly unpopular. But whether that popularity

will translate into many other Chavez' in the region is questionable. The Colombian's next year are likely to reelected by overwhelming majorities their right of center, law and order president, while the Chileans will continue with the ruling Concertacion. A Lula defeat in Brazil may very well return to power the coalition that governed with Fernando Henrique Cardoso—and even a Garotinho as a populist option would not reproduce the Chavez phenomenon.

### Directions for U.S. Policy

Mr. Chairman, my comments are meant to properly contextualize Latin American reality as a prelude to thinking about the direction of U.S. policy. By arguing that we need to understand that many countries in the region are doing relatively well and that some have made notable improvements, I don't mean to imply that we should be complacent. Indeed, even the Chileans understanding today that a failed Bolivia is not in their long term interests, nor is it in the fundamental interests of the United States. It is critical that the United States reengage in the region in a constructive manner. In my testimony in March I noted how missteps in U.S. policy in crisis management in the Hemisphere, including the Argentinean devaluation, the support for an unconstitutional alternative to Chavez in Venezuela, the collapse of the Sanchez de Lozada government in Bolivia and the ouster of Aristide in Haiti, undermined U.S. moral and political authority in the Hemisphere.

This, along with the overwhelming rejection of the fundamental direction of U.S. foreign policy globally, especially the War in Iraq, has made it far more difficult for the U.S. to engage other Hemispheric leaders in dealing with such thorny issues as indigenous movements in Bolivia and Ecuador and Chavez' claim to leadership in the region. U.S. officials proclaim frustration that other democratic leaders in the Hemisphere are not standing-up to the plate in pushing back on Chavez. It is not a matter of reticence to become engaged or to interfere in the affairs of other countries. A review of many of the challenges that democracy faced in Latin America from the early 1990s would show that key leaders and countries were willing to take stands--- from the willingness to impose an embargo on the Haitian Cedras Junta, to invoking Resolution



1980 in several instances of interruption of the constitutional order, to the unprecedented steps taken with respect to the Fujimori government in Peru when it carried out an election that did not meet international standards.

The problem is that leaders in the region have been far more reluctant than in the past to work with the United States in resolving the problems of the region because they are deeply dissatisfied with what they view as peremptory treatment of their interests and sensibilities. Whether it was the open and very personal dissatisfaction regarding the stand that Mexico and Chile took at the United Nations Security Council regarding the failed resolution that would have authorized international support for the War in Iraq; whether it is the continued attempt to force countries to sign Article 98 exemptions regarding the International Criminal Court; whether it is the discomfort stemming from more visits to the region from Secretary of Defense Rumsfeld than the Secretary of State; whether it is the way in which the U.S. led its campaign to have former President Flores of El Salvador designated as Secretary General of the Organization of American States, thereby artificially engendering a polarization in the Hemisphere, leaders in the region have pushed back on a heavy handed diplomacy that has made it more difficult for them to appear to be doing Washington's bidding.

With the appointment of Assistant Secretary of State Thomas Shannon, the United States has an excellent opportunity to begin the process of rebuilding better trust with the Hemisphere precisely to better address the challenges the country faces. Whether Chavez succeeds in moving his agenda forward depends more on what the U.S. can do for the countries that are more at risk and how it can collaborate with other democracies in the America's in pursuing that end. U.S. assistance to the region far surpasses that of any country, including Venezuela, and yet the assistance has lost its clout and diminished significantly in objective terms as I noted as well in my previous testimony. For this reason support for Congressman Bob Menendez Social Investment and Economic Development Fund would be an essential first step.

Ultimately, the United States must look at its policy towards the region in strategic terms in its own right. U.S. interests are clear: the security of the United States requires a prosperous and stable Hemisphere. Our policies should not be simply extensions of U.S. domestic politics, whether it is in the appointment of officials or in the

support of candidacies for international organizations. Nor should assistance be simply predicated on whether countries are willing to comply with the United States, whether regarding Article 98, or particular votes in international for matters not directly relevant to the Hemisphere. It should be based on a policy a genuine engagement that seeks the commonalities of interests and builds on the successes of this era of democratization while ensuring that it will endure. For that to happen the Western Hemisphere must move up on the priority list of U.S. foreign policy.

**THE STATE OF DEMOCRACY IN LATIN AMERICA**

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March 9, 2005**

Mr. Chairman and Members of the Subcommittee I am honored to appear before you today to discuss the progress of democratic consolidation in the Western Hemisphere. Although I am a member of the Board of NDI, I appear here today in my capacity as a scholar who has focused for the past thirty-five years on the study of the origins, consolidation and reversals of democracy in the Americas.

In many ways this is still an auspicious moment for the nations of Latin America and the Caribbean. Never before in history have leaders elected directly by the people governed in so many countries, nor have so many countries experienced successive elected governments without authoritarian reversals. A study conducted by David Scott Palmer shows that from 1930 to 1990, close to forty percent of changes in government took place via military coup. That percentage was halved in the decade of the nineteen eighties when only 7 of 37 governmental changes occurred because of overt military intervention in politics—and 5 of these sought to bring an end to authoritarian rule rather than prolong it. Since 1990 authoritarian reversals have occurred only in Peru, when the President shut down the legislature, and Haiti when a military junta displaced an elected president. The single most significant change that has taken place since the end of the Cold War in the region is the withdrawal of the military from its overt political role in overthrowing and forming governments whenever societal crises appeared to foment instability or elected leaders sought to implement policies that threatened vested interests. The only stark exception to this democratic trend continues to be Cuba.

The overt shift in U.S. policy, from promoting or tolerating authoritarian reversals when elected governments were judged inimical to U.S. interests to condemning disruptions of democratic governments in concert with other Hemispheric partners, is an important factor in explaining the demise of the standard Latin American pattern of coups and counter coups. Latin America has thus come a long way from the days of violent civil conflict in Central America and pervasive authoritarian rule with its massive human rights violations in the Southern Cone. Mexico, which had avoided the pattern of military intervention in politics through the establishment of an all encompassing one party state,

also moved to competitive party politics based on open and free elections that led to the demise one of the longest lasting regimes of the 20<sup>th</sup> Century.

And yet, it would be mistaken to assume that the countries of the Hemisphere have finally turned the corner and that the triumph of representative institutions and the rule of law is irreversible. For too many countries democratic practices are a recent phenomenon. It is important to not confuse the establishment of democracy with its consolidation. Democratic consolidation is a complex and time consuming. Indeed, it was not until after World War II that some of the major nations of Western Europe were able to establish mature and lasting democracies. The evolution of democratic institutions in the West came slowly as the concept of citizenship expanded over time producing a gradual incorporation of the citizenry into full public life within the framework of representative institutions of government. It is no accident that the most successful democracies in Latin America today, Chile, Uruguay and Costa Rica are also the countries in the region that experienced the fewest number of military coups and had the longest trajectory of continuous competitive election. Today's newly established democracies, face the daunting challenge of having to inaugurate representative institutions that assume the full participation of the citizenry, at a time when governments are also called upon to be responsive to a wide range of citizen demands and expectations in societies characterized by widespread poverty, inequality and injustice.

Perhaps the most dramatic indicator of the continued weakness of democracy are the fourteen elected presidents who were unable to complete their constitutional terms in office since the current wave of democratization began in Latin America in the early 1980s. Although only one of those presidents was overthrown in an overt military coup and the military has receded into the background throughout the Hemisphere, this pattern of presidential failures has translated into continuous crises of governance as chief executives have been unable to contain social unrest and political conflict. A combination of fragmented party systems, dysfunctional legislatures, weak state institutions and deficits in leadership have led to minority presidencies that have reigned and not ruled, frequently unable to adopt and implement necessary reforms.

Ironically, while weak presidencies have been the norm, in a few cases leaders have succeeded in parlaying the fragility of institutions and widespread disillusionment

with parliaments and parties into strong majority support. That pattern of populist politics, exemplified by Fujimori, in Peru and Chavez in Venezuela, is a worrisome counterpoint to the pattern of weak presidencies because the personalization of politics undermines democracy through the abuse of power and the trampling of minority rights. Democracy is a system based on the rule of law and the constitutional order in which passing majorities are constrained in order to protect individual rights, the rights of minorities and the rights of future majorities. Constraining majority rule, however, should not mean the absence of clear leadership and the ability of democratic institutions to encourage the building of consensus and compromise across diverse expressions of the popular will in order to generate effective public policy.

An overview of the state of democracy in the region suggests that most countries face interrelated challenges along four dimensions. The first is what might be referred to as governmental efficacy-- the capacity of state institutions to undertake their functions. Lack of resources, appropriate rules and regulations and the dearth of qualified personnel render governmental institutions at all levels ineffective and unresponsive. The second challenge is accountability: state institutions that exercise authority for the public good, and not private gain, and law enforcement and judicial institutions that are credible and impartial. In country after country a greater political opening has also permitted the public to witness more directly the pervasiveness of corruption that has long characterized politics on the continent, a corruption that in turn erodes confidence in democratic leaders and politics.

The third dimension refers to the effective construction of institutions of representative democracy, including credible electoral authorities and electoral systems that promote effective citizen representation while discouraging excessive partisan fragmentation. It also refers to the consolidation of effective parties and party systems. Parties are essential instruments of democracy so much so that Madison himself, who at first had cautioned against what he regarded as “factions”, came to view them as the “natural foundations of liberty” without which democracy could not subsist. They generate and aggregate popular preferences in seeking to fill positions of authority based on suffrage—while structuring in the legislature and executive branches policy options and compromises. Latin America faces a genuine crisis of representation with the

discredit of party organizations that appear in survey after survey as the most corrupt and least credible institutions in society.

The final and fourth dimension is democratic governance itself, the ability of representative institutions to generate majorities in order to enact laws, regulations and programs in response to societal needs. The weakness of many presidents throughout the region stems from their inability to command majorities in their own election and lack of majority support for their parties in the legislature. One study noted that only one in four presidents enjoyed congressional majorities. In highly divided minority governments such as Mexico, the introduction of practices used in parliamentary as opposed to presidential democracies might help to generate logics of cooperation as opposed to confrontation.

Institutional deficits are made more jarring when added to the enormous social deficits that characterize much of the Hemisphere. As is often noted Latin America and the Caribbean is the continent with the greatest inequities between rich and poor—and while the lot of those at the lowest income level has not improved much, it is also the case that in several countries that enjoyed relatively high standards of living, notably Venezuela and Argentina, political and economic crises have combined to sharply lower the standard of living of large sectors of the population. Even in countries that have experienced fairly steady growth, such as Peru, the inability of large sectors of the society to significantly improve their standards of living has led to plummeting popularity ratings for Alejandro Toledo, the country's president. Throughout the Hemisphere over forty percent of the population lives in poverty and close to 20% are described as living in extreme poverty. That reality makes more difficult the consolidation of democratic institutions, as citizens feel marginalized from the political mainstream.

#### Directions for U.S. policy

As noted earlier the shift in U.S. policy at the end of the Cold War contributed to the decline in overt military involvement in politics. Incorporation of a democracy clause in the OAS through the adoption of Resolution 1080 and the Democratic Charter put countries on notice that they could face suspension from the Inter-American System

if they experience of a disruption in the constitutional order. I am pleased that the current administration in Washington has made the promotion of democracy a cornerstone of its foreign policy objectives. In this Hemisphere, peaceful and prosperous neighbors are vital to the interests of the United States. Failed states close to home would represent a lost opportunity to turn the Americas into an engine of growth and prosperity at a time when China and India are surging ahead and becoming increasingly important players on the world stage. Failed states would also constitute potential threats to the security of United States and continue to encourage uncontrolled migration patterns. I am concerned, however, that at least with regard to this Hemisphere our profession of support for democracy is long on rhetoric and short on concrete results and real commitments. Allow me to highlight four dimensions of United States policy to the region: Crisis management, democracy promotion, collective defense of democracy and bi-lateral assistance.

#### Crisis Management:

The conduct of foreign policy requires a clear vision and a clear set of objectives. But in the day-to-day reality of a complex and dangerous world that vision is tested and those objectives are challenged by how well U.S. policy deals with concrete and often unpredictable sets of events that can affect our foreign policy interests. In managing Hemispheric crisis during its first term in office the administration committed some serious mistakes. Four cases stand out as particularly noteworthy: Argentina, Venezuela, Bolivia and Haiti.

From the outset, the U.S. Treasury made it clear that it viewed support for countries in financial difficulties as a “moral hazard” problem and that the U.S. tax payer should not be called upon to bail out investors who made poor choices, even if it meant that a country’s financial system might collapse. 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 and came without a concerted and well crafted effort to engage the Argentine authorities in a joint strategy to help cushion the economic crisis.



Contrary to the assumptions made by U.S. policy makers, the sharp downturn in the Argentine economy which forced the resignation of President Fernando de la Rúa in 2001, affected not only Argentina, but sent a pall over vulnerable economies in the region already suffering from the 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 Chavez in Venezuela 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 administration refused to call on the established mechanisms of the Organization of American States to prevent the interruption of the democratic process.

The U.S. belatedly turned to the OAS after it became clear that President Chavez' 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 a constitutional leader 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 also damaged its ability to deal with the mercurial president and his government, which wrongly assumed that the United States was actually behind the coup attempt.

In Bolivia the administration undermined its own preferred presidential candidate in the electoral campaign of 2002 when the U.S. 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. After Gonzalo Sanchez de Lozada was elected to office and faced a mutiny by poorly paid police officers in a climate of growing civil unrest he desperately sought

assistance in the United States to cover severe budget shortfalls. On an emergency trip to Washington, including a visit with President Bush, he was largely rebuffed and provided with only a fraction of his request. Only after he was forced to resign from office in 2003, after protesters were killed by the armed forces, did Washington and the International Financial Institutions increase its financial support for Bolivia. By then, however, policies that would have helped resolve Bolivia's chronic problems, including the construction of a gas pipeline to export natural gas, had become politically untenable.

Finally, in Haiti the unwillingness of the administration to engage the daunting problems of the island and its personal distaste for the elected leader contributed to the severe deterioration of public order and the forced ouster of another elected president, setting back the unfinished if limited progress that country made in struggling to establish institutional order. When Haiti was overrun by rebels associated with the remnants of the disbanded Haitian army, Secretary of State Colin Powell correctly argued that the solution to the Haitian crisis required a respect for the constitutional order and the legitimacy of its elected president. But the State Department's efforts to mediate the crisis were half-hearted at best and 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 Organization of American States 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 rather than resolving the problems of the country only made them worse. By encouraging the removal of a figure, however flawed and controversial, who was the legitimate head of state and continues to command strong allegiance Washington aggravated the polarization of the country and made more difficult the restructuring of a semblance of institutional order.

The lessons for the second term should be clear: the United States needs to be far more engaged both directly and with its neighbors to stave-off serious challenges to democratic governance in the Hemisphere— making it abundantly clear that the United States does not countenance military intervention in politics and would seek to isolate a country whose elected government was overthrown by force, regardless of whether we may find some of the policies of those leaders distasteful.

#### Democracy Assistance:

The first phase of democracy assistance correctly focused on insuring the neutrality of electoral institutions and the free and fair conduct of elections. In many countries much work still needs to be done to ensure the neutrality and impartiality of electoral officials and the adequate conduct of elections. Some countries such as the Dominican Republic, Venezuela and Nicaragua have experienced reversals in election management that have led to a questioning of the impartiality of electoral contests. Democracy assistance has expanded to focus on civic education and the strengthening of civil society organizations. Programs have also been enacted aimed at supporting local governments, legislatures, judiciaries and the rule of law.

Too little attention, however, has been paid to working with political parties as donor agencies have tended to shy away from programs that may be interpreted as overly political. Yet in country after country political parties have been falling short in their ability to connect with citizens, serve as valid agencies for representing their interests and, perhaps more importantly, working effectively within governmental institutions through coalition building and power sharing. Nor should funding for democracy promotion programs and party strengthening activities be limited to the poorest countries, but should be available to higher income countries that may have deficits in institutional development. To that end increased funding for National Endowment for Democracy programs through NDI and IRI are advisable, as is greater support for party building efforts through the Organization of American States.

#### Collective Defense of Democracy:

The consolidation of democracy in Latin America was continuously setback by military interventions that did not permit the consolidation of democratic institutions. Problems of democracy need to be resolved within democracy, rather than appealing to extra institutional solutions. Although that lesson appears to have been learned the severity of the political crises that have resulted in the forced resignation of heads of state across the region suggests the wisdom of strengthening the efforts by the Hemispheric community to provide assistance to countries undergoing threats to democratic continuity. During the last few years the Secretary General of the OAS, working with government officials from key countries in the Hemisphere often worked directly in crisis situations to avert a disruption of the constitutional order or seek mechanisms to improve dialogue and understanding to find common ground and help defuse political confrontation.

And yet all too often the response of the international community has been too late and ad hoc. The Secretary General of the OAS should have the capability to monitor crises in countries before they reach the boiling point, advised by staff and more effective country representatives. Working with a special commission of notables and with the concurrence and support of key countries the Secretary General should be able to dispatch emergency missions to seek political solutions in crises situations before they become full-fledged crises of regime.

At the same time the OAS' Human Rights Commission should be strengthened and expanded to provide a more effective monitoring of adherence by governments to the rule of law and democratic principles as embodied in the Charter. The Commission is one of the notable achievements of the Inter-American system, having played an important role in the defense of human rights during the era of military dictatorships. It should have a continuous role in monitoring potential abuses of power by elected governments or leaders that violate their own constitutional precepts.

#### Bilateral Assistance:

The United States spend billions of dollars during the civil conflicts in Central America during the 1980s. With the exception of a substantial commitment of assistance

through the Andean Counterdrug Initiative, the overall levels of support for the countries of the Western Hemisphere in development assistance (DA) and Economic Support Funds (ESF) is woefully inadequate. Policy makers working on the region have little flexibility in providing assistance at times of special stress. It is also clear now that a policy based on the notion of “trade, not aid” simply ignores the fact that trade in itself is not enough. Indeed, when trade agreements are concluded far more attention needs to be given to providing assistance to countries to deal with the negative consequences of trade in terms of job retraining. Latin America is falling behind other regions of the world because the countries of the region are simply not competitive. To a degree the problem still lies with antiquated regulations, labor laws and property rights. But that is hardly the full story. Most countries in the Hemisphere have enormous deficits in infrastructure, education and health, areas where government must play an important role. To this end the Congress should seek to fund the Social Investment and Economic Development Fund.

While it is not true that democracy can only succeed in countries that are prosperous, it is a fact that in societies with massive poverty and deep inequalities it is difficult for democratic institutions and practices to take root. If the United States is not prepared to face once again the security challenges stemming from widespread societal crises in our own Hemisphere, it will have to move beyond a rhetorical commitment to democracy and be willing to work with Hemispheric partners to create more effective mechanisms for the collective defense of democratic institutions. It will also have to be willing to invest more resources in assistance to make it more likely that democratic institutions consolidate themselves across the board.

Finally, it is important that the United States signal that it cares about the region. The standing of the United States has plummeted in the region partly because of a perception that the Hemisphere does not matter to official Washington. Presidential trips are often arranged with stopovers of a few hours with scant engagement with local leaders and little contact with the public. Presidential inaugurations are not sufficiently important to send the Vice President or top cabinet officials as representatives of the United States. Indeed, the administration might want to revisit the idea of appointing another special envoy for the America’s who could provide a more visible presence of the

United States in the region. Should such a position be filled once again, it should only go to an individual who has held high public office and enjoys direct contact with the president and frequent access to him, a role played effectively by Mack MacClarty and Buddy McKay during the Clinton Administrations.