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**First Annual Latin American Conference**  
**The New Latin America: Diverging Strategies Toward Growth and Stability**

**Governance and Security for the Americas in the 21<sup>st</sup> Century**

**General John Craddock**

**(25 April 2006)**

**THANK YOU. LADIES AND GENTLEMEN -- DISTINGUISHED COLLEAGUES – AND FRIENDS — GOOD MORNING. IT’S A PLEASURE TO BE HERE TODAY AND I AM DELIGHTED TO HAVE THE OPPORTUNITY TO SHARE SOME OF MY PERSPECTIVES ON SECURITY CHALLENGES IN LATIN AMERICA AND THE CARIBBEAN AS THEY RELATE TO GROWTH AND STABILITY.**

**SOME OF THE POINTS I MAKE TODAY, I’VE MADE IN OTHER FORUMS – BUT THEY ARE IMPORTANT POINTS AND RELEVANT TO THE THEME OF THIS CONFERENCE – *THE NEW LATIN AMERICA: DIVERGING STRATEGIES TOWARD GROWTH AND STABILITY.***

**I JUST RETURNED FROM A MEETING OF CENTRAL AMERICAN CHIEFS OF DEFENSE IN BELIZE CITY – WHERE – IT SEEMS - AGAIN AND AGAIN – OUR DISCUSSIONS TURNED TO THE INTERDEPENDENT TRIAD OF SECURITY, STABILITY AND PROSPERITY. THE PARTICIPANTS UNANIMOUSLY AGREED THAT BOTH PUBLIC AND NATIONAL SECURITY ARE INEXTRICABLY LINKED TO STABILITY AND ECONOMIC DEVELOPMENT.**

**NOW, IF I MAY, I’D LIKE TO GIVE A VIEW FROM THE US SOUTHERN COMMAND – A PERSPECTIVE:**

**THIS SATELLITE IMAGE OF LATIN AMERICA AND THE CARIBBEAN IS ILLUSTRATIVE OF SOME OF THE ISSUES WE’VE COME HERE TO DISCUSS:**

**TAKEN AT NIGHT – IT REVEALS SOME FASCINATING ASPECTS OF TODAY’S WORLD THAT WE SHOULD CONSIDER WHEN WE THINK OF**

SECURITY – DEVELOPMENT – AND TO A GREATER EXTENT – GOVERNANCE.

THE POINTS OF LIGHT ARE REFLECTIONS OF URBANIZATION – COMMERCE – ACTIVITY – AND DEVELOPMENT.

THE YELLOW DOTS INDICATE WILDFIRES AND BURNING FROM DEFORESTATION. THE RED DOTS ARE THE BURN-OFF SIGNATURES OF NATURAL GAS WELLS. THE PROTECTION OF THE ENVIRONMENT AND THESE NATURAL RESOURCES MAY WELL BE SUBSETS OF ENFORCING NATIONAL SOVEREIGNTY.

THE MAP'S LEGEND DEPICTS THE LIGHT BLUE TRACKS AS NIGHT FISHING. I'M SURE THE VAST MAJORITY OF THE TRACKS REPRESENT FISHING BOATS AND COMMERCIAL SHIPPING — BUT I ASSURE YOU THAT AMONG THAT MARITIME MOVEMENT IS A LOT OF ILLICIT TRAFFICKING OF WEAPONS – DRUGS – AND PERSONS.

THIS MAP MAY WELL GIVE US INDICATIONS OF UNGOVERNED SPACES WITHIN BOTH THE DARKEST AND BRIGHTEST POINTS.

AS I TRAVEL THROUGHOUT THE REGION, I AM IMPRESSED BY THE POSITIVE TRENDS IN SOME AREAS — AND CONCERNED ABOUT THE PROGRESS STILL TO BE MADE IN OTHERS.

TODAY, LATIN AMERICA IS THE LEAST MILITARIZED AREA OF THE WORLD — HAVING NO NUCLEAR WEAPONS OR LARGE STANDING CONVENTIONAL FORCES. HOWEVER -- THIS REGION CAN HARDLY BE CONSIDERED BENIGN. TO THE CONTRARY -- THE INSIDIOUS NATURE OF THE THREATS TO OUR PARTNER NATIONS CAN BE SOMEWHAT DECEIVING AT FIRST GLANCE.

THE CONDITIONS OF POVERTY, CORRUPTION, AND INEQUALITY CONTRIBUTE TO THE GROWING DISSATISFACTION OF A POPULATION THAT – AS BELIZE'S CHIEF OF DEFENSE COMMENTED LAST WEEK – HAS EXPERIENCED POLITICAL DEMOCRATIZATION – BUT NOT ECONOMIC DEMOCRATIZATION.

THE LACK OF SECURITY, STABILITY AND IN SOME CASES, EFFECTIVE RULE OF LAW, FURTHER EXACERBATES THE SITUATION.

**UNDER-GOVERNED SOVEREIGN TERRITORY AND POROUS BORDERS ADD ANOTHER DIMENSION. ALL OF THESE CONDITIONS CREATE AN ENVIRONMENT THAT IS CONDUCTIVE TO THE DEVELOPMENT OF THREATS SUCH AS NARCO-TERRORISM – ILLICIT TRAFFICKING – URBAN GANGS – ORGANIZED CRIME – – ACTIVITIES WHICH DISCOURAGE LICIT COMMERCE AND UNDERCUT ECONOMIC DEVELOPMENT.**

**THIS, IN TURN, SERIOUSLY AFFECTS THE ABILITY OF GOVERNMENTS TO PROVIDE FOR THEIR CITIZENS – IT PREVENTS GROWTH – DEVELOPMENT – AND ECONOMIC OPPORTUNITY.**

**I AM CONCERNED ABOUT WHAT APPEARS TO BE A GROWING INSTABILITY IN THE REGION THAT IS DEGRADING THE ABILITY OF GOVERNMENTS TO SUSTAIN THEIR DEMOCRATIC PROCESSES.**

**ACCORDING TO THE LATEST SURVEY REGARDING PUBLIC VIEWS OF DEMOCRACY IN LATIN AMERICAN AND CARIBBEAN COUNTRIES-- 9 OF 18 PUBLICS FAVOR DEMOCRACY OVER ALTERNATIVES-- BUT MOST GENERALLY RATE THEIR CURRENT DEMOCRACIES AS INADEQUATE. PUBLIC PREFERENCE FOR DEMOCRACY RANKS HIGHEST IN URUGUAY-- VENEZUELA-- AND COSTA RICA-- WITH INCREASES OVER THE PAST 4 YEARS IN CHILE AND EL SALVADOR AND DECREASES IN PERU – GUATEMALA – HONDURAS – AND THE DOMINICAN REPUBLIC.<sup>1</sup>**

**SINCE NOVEMBER 2005, THERE HAVE BEEN SIX PRESIDENTIAL ELECTIONS IN THIS REGION – HONDURAS, CHILE, BOLIVIA, HAITI, COSTA RICA, AND PERU – AND THERE WILL BE SIX MORE TAKING PLACE BY THE END OF 2006. THAT EQUATES TO 12 OPPORTUNITIES FOR THE PEOPLE OF THOSE COUNTRIES TO TAKE ONE MORE STEP TOWARD STRENGTHENING, OR ON THE OTHER HAND, WEAKENING THEIR DEMOCRATIC INSTITUTIONS AND PROCESSES.**

**A RECENT ESSAY IN THE ECONOMIST STATED THAT DEMOCRACY’S DEFINING FEATURE IS “THE FREEDOM TO HIRE AND FIRE YOUR GOVERNMENT.” ELECTIONS ALONE ARE ONLY A FIRST STEP IN GUARANTEEING SECURE, STABLE, AND PEACEFUL**

**DEMOCRACIES. DEMOCRACIES ALSO REST UPON A FOUNDATION OF STRONG INSTITUTIONS, WITH CHECKS AND BALANCES AMONG LEGISLATIVE, EXECUTIVE, AND JUDICIAL BRANCHES OF GOVERNMENT.**

**LEADERS CAN RISE TO POWER THROUGH DEMOCRATIC ELECTIONS AND THEN SEEK TO UNDERMINE THESE SAME DEMOCRATIC PROCESSES, WHICH ARE FRAGILE IN MUCH OF THE REGION. AN ELECTION CAN PRESENT AN OPPORTUNITY FOR THOSE WITH EXTREMIST VIEWS TO EXPLOIT THEMES OF NATIONALISM, PATRIOTISM, AND ANTI-ELITE OR ANTI-ESTABLISHMENT RHETORIC TO WIN POPULAR SUPPORT – ESPECIALLY IN YOUNG AND VULNERABLE DEMOCRACIES.**

**ONE OF TWO KEY FACTORS INFLUENCING PUBLIC OPINION OF DEMOCRACY IS ECONOMIC PERFORMANCE. A UNITED NATIONS SURVEY IN 2003 REVEALED THAT A MAJORITY OF LATIN AMERICANS POLLED WOULD PREFER A DICTATOR TO A DEMOCRATICALLY ELECTED LEADER IF THAT CHANGE WOULD PROVIDE ECONOMIC BENEFITS.**

**THE GOOD NEWS IS THAT ECONOMIC GROWTH ACROSS THE REGION HAS RECOVERED AVERAGING CLOSE TO 5% OVER THE LAST 3 YEARS.**

**ARGENTINA – CHILE – PANAMA – PERU – DOMINICAN REPUBLIC – URUGUAY AND VENEZUELA – ALL REGISTERED STRONG GDP GROWTH IN 2005.**

**WHILE POVERTY FIGURES HAVE DECLINED SLIGHTLY ACROSS THE REGION – THE BENEFITS OF GROWTH ARE STILL NOT FELT THROUGHOUT SOCIETY. 41% OF THE REGION'S POPULATIONS LIVE BELOW THE POVERTY LINE AND 17% LIVE IN EXTREME POVERTY.<sup>2</sup>**

**BY 2000-- CHILE HAD ALREADY ACHIEVED THE UNITED NATIONS' MILLENNIUM DECLARATION GOAL OF REDUCING EXTREME POVERTY BY HALF THE LEVELS POSTED IN 1990.**

**BY 2004 BRAZIL-- ECUADOR-- PANAMA AND URUGUAY HAD MET OR EXCEEDED EXPECTED PROGRESS TOWARD THAT SAME GOAL.**

**ON THE OTHER HAND – BY 2004 – ARGENTINA AND VENEZUELA HAD HIGHER LEVELS OF EXTREME POVERTY THAN THEY DID IN 1990.<sup>3</sup> ACCORDING TO 2005 ESTIMATES – THESE TRENDS CONTINUE.**

**LATIN AMERICA IS THE LEAST EQUITABLE REGION IN THE WORLD IN TERMS OF INCOME DISTRIBUTION .<sup>4</sup>**

**POOR INCOME DISTRIBUTION PREVENTS A SOCIETY'S RESOURCES FROM BEING ALLOCATED TO THOSE WHO WOULD DERIVE THE GREATEST BENEFIT. IT ALSO UNDERMINES THE DEVELOPMENT PROCESS, HINDERS PROGRESS TOWARDS REDUCING POVERTY, AND INCREASES MIGRATION.**

**THE LACK OF OPPORTUNITIES FUELS MIGRATION FROM THE REGION – A REGION WHICH IS NOW THE RECIPIENT OF THE GREATEST AMOUNT OF REMITTANCES WORLDWIDE. IN A RECENT STUDY, THE INTER-AMERICAN DEVELOPMENT BANK ESTIMATES THAT 2005 REMITTANCES TO LATIN AMERICA AMOUNT TO OVER \$53 BILLION, AN INCREASE OF 17% FROM 2004.**

**IN SOME COUNTRIES REMITTANCES EQUATE TO 20% OF GDP AND ON A REGIONAL LEVEL REMITTANCES HAVE EXCEEDED DIRECT FOREIGN INVESTMENT AND OFFICIAL DEVELOPMENT ASSISTANCE COMBINED -- FOR THE PAST THREE YEARS.**

**THIS IS A PHENOMENON THAT WE'VE ALL RECOGNIZED – AND AS I'VE SAID IN OTHER FORUMS – UNANSWERED GRIEVANCES AND UNFULFILLED PROMISES TO THE MARGINALIZED CONTINUE TO RESULT IN DEEP-ROOTED DISSATISFACTION WITH DEMOCRACY-- AS A PROCESS AND AS AN INSTITUTION.**

**IN MANY PARTS OF THE REGION – DISTRUST AND LOSS OF FAITH IN FAILED INSTITUTIONS HAVE ALSO FUELED THE EMERGENCE OF ANTI-GLOBALIZATION AND ANTI-FREE TRADE ELEMENTS THAT INCITE VIOLENCE AGAINST THEIR OWN GOVERNMENTS AND THEIR OWN PEOPLE.**

**THE SECOND KEY FACTOR INFLUENCING THE PUBLIC'S OPINION OF DEMOCRACY LIES IN THE GOVERNMENT'S PERFORMANCE OR ITS**

**ABILITY TO ENSURE THE FREEDOM – ECONOMIC WELL-BEING – SAFETY – SECURITY – AND HUMAN RIGHTS OF ITS CITIZENS — IN SUMMARY — GOVERNANCE.**

**A RECENT REPORT FROM THE INTER-AMERICAN DEVELOPMENT BANK SUGGESTS THAT THE MAKING AND IMPLEMENTATION OF POLICY RATHER THAN THE SUBSTANCE OF THE POLICY ITSELF MAY DETERMINE THE EFFECTIVENESS OF GOVERNMENTS. THE STUDY FOUND THAT COUNTRIES THAT SCORED WELL ON HOW POLICIES ARE MADE AND CARRIED OUT ARE THE PLACES WHERE LIFE IS IMPROVING. NOT SURPRISINGLY — CHILE IS AT THE TOP OF THE LIST. EL SALVADOR IS ALSO HIGHLY RANKED. THE STUDY FINDS ARGENTINA AND VENEZUELA DO NOT FARE SO WELL.<sup>5</sup>**

**IN RECENT YEARS – WORLD BANK ANALYSTS HAVE DEVISED A METRIC TO RATE THE INSTITUTIONAL PERFORMANCE OF DEMOCRACIES AROUND THE WORLD. THIS RESEARCH ON GOVERNANCE TAKES AN INTEGRATED APPROACH – AND IT LOOKS AT SIX INTER-RELATED DIMENSIONS – LISTED ON THE RIGHT OF THE SLIDE.**

**TWO OF THOSE DIMENSIONS RELATE DIRECTLY TO SECURITY AND SOVEREIGNTY:**

**– ONE DIMENSION IS POLITICAL STABILITY AND ABSENCE OF VIOLENCE — MEANING THE ABSENCE OF TERRORISM AND VIOLENT THREATS TO – OR CHANGES IN GOVERNMENT.**

**– ANOTHER DIMENSION IS RULE OF LAW – OR THE QUALITY OF THE LAW ENFORCEMENT CONTRACT – THE POLICE -- THE COURTS – AS WELL AS THE LIKELIHOOD THAT CITIZENS WILL BE CONFRONTED BY CRIME AND VIOLENCE.**

**OTHER DIMENSIONS IN THE STUDY LOOK AT POLITICAL – CIVIL AND HUMAN RIGHTS – THE QUALITY OF PUBLIC SERVICE DELIVERY -- AND THE CONTROL OF CORRUPTION — ALL OF WHICH HAVE RELEVANCE FOR PUBLIC SAFETY AND SECURITY, AS WELL AS ECONOMIC GROWTH.**

**THE TRENDS CAPTURED IN THIS STUDY FOR THE PERIOD OF 1996-2004 SHOW THOSE COUNTRIES THAT SCORE HIGHEST IN GOVERNANCE – CHILE – URUGUAY – BRAZIL – AND PANAMA – ARE ALSO THOSE WHO HAVE SHOWN THE GREATEST PROGRESS TOWARDS REDUCING POVERTY – WHERE THE PUBLICS SHOW THE GREATEST SATISFACTION OR PREFERENCE FOR DEMOCRACY.<sup>6</sup>**

**A QUICK LOOK AT SOME OF THE DATA I'VE JUST SHOWN YOU -- PUBLIC OPINION OF DEMOCRACY – ECONOMIC PERFORMANCE – POVERTY REDUCTION AND INEQUALITY – AND GOVERNANCE – WILL REVEAL AN INITIAL PATTERN:**

**CHILE – WHICH HAS THE SAME GOVERNANCE RATING AS THE U.S. – ALSO DEMONSTRATES STRONG ECONOMIC PERFORMANCE – HAS EXCEEDED EXPECTATIONS FOR POVERTY REDUCTION – AND IN RECENT YEARS – SINCE ITS TRANSITION – PUBLIC PREFERENCE FOR DEMOCRACY IN THAT NATION HAS GROWN.**

**URUGUAY'S PUBLIC OPINION OF DEMOCRACY IS THE HIGHEST IN THE SOUTHERN CONE. THE COUNTRY HAS REGISTERED SOLID GDP GROWTH – MET POVERTY REDUCTION GOALS – AND HAS ONE OF THE HIGHEST GOVERNANCE SCORES IN THE REGION. ADDITIONALLY – URUGUAY'S INCOME DISTRIBUTION IS THE MOST EQUITABLE OF THE REGION.<sup>7</sup>**

**THESE ARE JUST A FEW FACTORS THAT DEMONSTRATE THE CORRELATION BETWEEN GOOD GOVERNANCE AND A BETTER LIFE FOR OUR CITIZENS. HOW DOES THAT RELATE TO DEFENSE AND SECURITY?**

**FROM A MILITARY PERSPECTIVE – I'D LIKE TO FOCUS ON HOW THE SECURITY AND SOVEREIGNTY DIMENSION OF GOOD GOVERNANCE CONTRIBUTES TO ECONOMIC DEVELOPMENT— POVERTY ALLEVIATION AND STRENGTHENED DEMOCRACIES.**

**I WOULD LIKE TO DESCRIBE TWO DIFFERENT CASES — THAT OF GUATEMALA AND THE EFFORT TO BRING SECURITY AND GOVERNANCE TO A SPECIFIC REGION — AND THAT OF COLOMBIA – WHERE THE EFFORT HAS BEEN BROADLY DIRECTED TO A NATIONAL LEVEL —**

**THESE TWO EXAMPLES – I HOPE – WILL ILLUSTRATE THE RELATIONSHIP BETWEEN SECURITY AND GOVERNANCE AND DEMONSTRATE THE NEED TO INTEGRATE ALL ELEMENTS OF NATIONAL POWER FOR BETTER GOVERNANCE.**

**A COUPLE OF MONTHS AGO – I VISITED GUATEMALA’S NATIONAL PARK AREA – CALLED LAGUNA DEL TIGRE — TIGER LAKE — IN THE PETÉN REGION — — ALONG THE BORDER WITH MEXICO. THIS PROTECTED NATIONAL PARK IS LARGELY UNPOPULATED AND – BECAUSE IT IS A NATURAL RESERVE – WITHOUT HUMAN INFRASTRUCTURE – AND HAS COME TO CONSTITUTE AN UNGOVERNED SPACE.**

**THE LACK OF GOVERNMENT PRESENCE IN THIS REGION AND ALONG THE BORDER HAS MADE IT AN IDEAL TRANSHIPMENT POINT FOR DRUG AND OTHER ILLICIT TRAFFICKERS MOVING THEIR ILLEGAL GOODS AND CONTRABAND FROM THE SOUTH TO THE NORTH—ALMOST ALWAYS THROUGH MEXICO.**

**THIS PROBLEM IS SHARED BY OTHER NATIONS IN CENTRAL AMERICA AND THE CARIBBEAN, WHERE ILLEGAL TRAFFICKING, AND VIOLENT, WELL-ORGANIZED GANGS ARE FINANCED BY EXTORTION AND DRUG TRAFFICKING. HERE WE ARE ALSO SEEING A NEW PHENOMENON WITH REGARDS TO DRUG TRAFFICKERS.**

**IN THE PAST, DRUG TRAFFICKERS PAID FOR LOGISTICAL SUPPORT, PROTECTION, AND OTHER LOCAL SERVICES IN HARD CURRENCY. TODAY, GANGS AND CRIMINAL ELEMENTS WHO PROVIDE THESE SERVICES ARE RECEIVING PAYMENT-IN-KIND — A CUT OF THE DRUGS! THUS, DRUGS ARE NOW STAYING IN-COUNTRY, WHICH IS CONTRIBUTING TO THE INCREASE OF CRIME AND VIOLENCE IN THESE SUB-REGIONS.**

**WHAT YOU ARE SEEING HERE IS THE LAGUNA DEL TIGRE PARK. IF YOU FLY OVER THE REGION-- AND LOOK TOWARDS THE HORIZON – AS FAR AS YOU CAN SEE – YOU WILL SEE A LANDSCAPE THAT IS**



**CRISS-CROSSED WITH AN INCREDIBLE NUMBER OF CLANDESTINE AIR STRIPS. WHAT I SAW IN THIS REGION WAS STARTLING!**

**IN THESE PHOTOS – WHAT YOU ARE SEEING ARE PLANES THAT WERE LOADED WITH DRUGS OR OTHER CARGO AND HEADED TOWARDS ONE OF THESE AIRSTRIPS-- WHERE THEY WOULD OFF-LOAD THEIR MERCHANDISE FOR GROUND TRANSPORT ACROSS THE MEXICAN BORDER.**

**IF DETECTED BY THE GUATEMALEN AIR FORCE OR OFTEN – DUE TO LANDING IN THE DARK – THEY CRASHLAND – THEN OFFLOAD THE DRUGS – AND BURN THE PLANE BEFORE FLEEING IN AWAITING VEHICLES.**

**THE DRUG TRADE IS SO LUCRATIVE THAT AIRPLANES – SOME OF THEM LARGE ENOUGH FOR 45 PASSENGERS – ARE DISPOSABLE.**

**IN AN AREA THE SIZE OF PERHAPS A COUPLE OF FOOTBALL FIELDS – I PERSONALLY SAW AT LEAST 8-10 PLANES THAT HAD BEEN INTENTIONALLY CRASHED AND BURNT BY DRUG TRAFFICKERS TO AVOID THE CAPTURE AND CONFISCATION OF THEIR CARGO.**

**THE EFFECTS OF THIS ILLICIT ACTIVITY AND PRESENCE IN THE LAGUNA DEL TIGRE PARK REACH FAR BEYOND THE SALE AND USE OF DRUGS IN THE U.S. – AND MORE AND MORE WITHIN SOURCE AND TRANSIT ZONE COUNTRIES – IT HAS DAMAGED A SIGNIFICANT NATIONAL RESOURCES – SABOTAGED ECONOMIC DEVELOPMENT – AND UNDERMINED RULE OF LAW – AND HAS BROUGHT CORRUPTION – VIOLENCE AND CRIME TO THE REGION:**

**- AIR STRIPS ARE CREATED BY BURNING THE FOREST AND UNDERBRUSH.**

**- THIS OFTEN LEADS TO UNCONTROLLED FOREST FIRES IN THE PARK – DAMAGING HUGE TRACTS OF LAND AND NATURAL HABITAT.**

**- SQUATTER COMMUNITIES HAVE INVADED PROTECTED NATIONAL PARK LANDS – POPULATED BY THOSE WHO COULD NOT FIND LEGAL**

**JOBS IN THEIR OWN TOWNS AND — BY THE FAMILIES OF DRUG TRAFFICKERS.**

**– ENTIRE COMMUNITIES HAVE DEVELOPED TO SUPPORT THE ILLICIT TRAFFICKING INDUSTRY –PROVIDING SECURITY TO TRAFFICKERS AND FOR THE AIR STRIPS – TRANSPORTING DRUG CARGOS OVER LAND OR BY RIVERS.**

**WITHIN THESE COMMUNITIES – THERE IS NO GOVERNMENT PRESENCE – NO RULE OF LAW – BUT INSTEAD LAWLESSNESS -- CRIMINAL GROUPS AND GANGS – POACHING OF PROTECTED WILDLIFE – KIDNAPPING – TRAFFICKING IN ARMS – IN HUMANS – AND — — MOST COMMONLY— — IN DRUGS.**

**THE CRIMINAL AND ILLEGAL ARMED GROUPS IN THE REGION EXERCISED EFFECTIVE CONTROL OF THE POPULATION THROUGH INTIMIDATION AND IN MANY RESPECTS HAD BECOME THE DEFACTO “RULE OF LAW.”**

**THE AREA OF LAGUNA DEL TIGRE – THE PETÉN DEPARTMENT – INCLUDES TIKAL AND OTHER ARCHEOLOGICAL SITES – WHICH ARE PRIMARY TOURIST ATT ACTIONS FOR THE COUNTRY. THE CRIMINAL ACTIVITY AND VIOLENCE ENGENDERED BY THE ILLICIT TRAFFICKING ELEMENTS —— SO CLOSE TO THE TIKAL SITE —— ALSO THREATENED TO UNDERMINE TOURISM THROUGHOUT THE PETÉN.**

**GUATEMALA’S INCOME FROM TOURISM IS OVER \$770 MILLION DOLLARS ANNUALLY. THE POTENTIAL TO EXPAND THIS RESOURCE AND EXTEND ECONOMIC AND SOCIAL DEVELOPMENT TO THIS REGION HAS BEEN HELD HOSTAGE BY THE LACK OF SECURITY. THE SITUATION IS SIMILAR ACROSS THE BORDER IN BELIZE – WHERE THE TOURISM INDUSTRY – WHICH HAS NOT DEVELOPED TO ITS FULL POTENTIAL – CONSTITUTES 18% OF THE COUNTY’S GDP.<sup>8</sup>**

**IN NOVEMBER 2005 – THE GUATEMALAN GOVERNMENT DIRECTED THE ARMED FORCES TO STAND UP AN INTERAGENCY TASK FORCE IN**

**THE LAGUNA DEL TIGRE PARK. THIS TASK FORCE – LED BY THE BEST OF GUATEMALA’S SECURITY FORCES – SUPPORTS AN INTERAGENCY MISSION INCLUDING THE NATIONAL CIVILIAN POLICE – NATIONAL AIR SOVEREIGNTY COUNCIL – IMMIGRATION DEPARTMENT – JUSTICE DEPARTMENT – AND OTHER GOVERNMENT AGENCIES AND NON-GOVERNMENTAL ORGANIZATIONS.**

**THE MISSION OF THIS INTERAGENCY TASK FORCE HAS BEEN TO COUNTER THE ILLICIT ACTIVITY IN THE PETÉN DEPARTMENT.**

**IT’S ONLY BEEN IN EXISTENCE FOR A SHORT TIME BUT – THE INTERAGENCY TASK FORCE HAS BEEN IN EXISTENCE -- IT HAS ACHIEVED GREAT SUCCESS SUCH AS:**

**- COMPLETE INTEGRATION -- COORDINATION AND INFORMATION FLOW ACROSS DEPARTMENTS AND AGENCIES --**

**- THE FIRST GOVERNMENT PRESENCE IN THIS REMOTE REGION –**

**- THE ESTABLISHMENT OF LAW AND ORDER FOR THE FIRST TIME – GAINING THE CONFIDENCE OF THE LOCAL POPULATION – NOT ALL OF WHOM ARE ANY LONGER DIRECTLY LINKED TO THE TRAFFICKERS –**

**- REDUCED ILLEGAL ARMS POSSESSION –**

**- IT HAS DESTROYED CLANDESTINE AIRSTRIPS –**

**- AND – MOST IMPORTANTLY THIS INTERAGENCY FORCE HAS SUCCESSFULLY DENIED ACCESS — THERE HAVE BEEN NO KNOWN DRUG TRAFFICKING AIRCRAFT IN THE PETEN SINCE THE TASK FORCE WAS ACTIVATED.<sup>9</sup>**

**IN MY JUDGEMENT – ILLICIT TRAFFICKING IN THE PETÉN AND ITS EFFECTS – ALONG WITH THE ACHIEVEMENTS THE GUATEMALAN GOVERNMENT THROUGH THE EFFORTS OF THIS INTERAGENCY TASK FORCE -- CLEARLY DEMONSTRATES THE IMPORTANCE OF GOVERNANCE – OR SECURITY AND STABILITY – TO CREATE THE CONDITIONS FOR DEVELOPMENT AND PROSPERITY.**

**GUATEMALA'S INTERAGENCY APPROACH IS THE FIRST STEP TOWARDS EFFECTIVE INTEGRATION OF SECURITY WITH THE OTHER COMPONENTS OF GOOD GOVERNANCE. THIS TASK FORCE REPRESENTS A POSSIBLE MODEL TO BE EXPANDED AND BUILT UPON IN OTHER PARTS OF THE REGION – PARTICULARLY IN CENTRAL AMERICA AND THE CARIBBEAN – WHOSE NATIONS SHARE THE PROBLEMS OF BEING STRATEGICALLY LOCATED IN AN ILLICIT TRAFFICKING OR TRANSIT ZONE.**

**THE SECOND CASE IS COLOMBIA.**

**IN 2003 PRESIDENT URIBE ANNOUNCED HIS DEMOCRATIC SECURITY AND DEFENSE POLICY – AN INTEGRATED APPROACH INVOLVING ALL INSTRUMENTS OF NATIONAL POWER AND ALL ELEMENTS OF THE GOVERNMENT – FROM THE NATIONAL TO THE LOCAL LEVEL. THE GOAL OF THIS NATIONAL STRATEGY, WHICH FRAMES COLOMBIA'S INTERNAL SECURITY EFFORTS, IS TO PROTECT THE RIGHTS OF COLOMBIAN CITIZENS BY STRENGTHENING THE RULE OF LAW AND THE AUTHORITY OF DEMOCRATIC INSTITUTIONS.**

**IF YOU STUDY THE COMPONENTS OF THE STRATEGY – IT ADDRESSES GOOD GOVERNANCE – RECOGNIZING THAT MILITARY AND/OR POLICE ACTION ALONE CANNOT ENSURE THE SECURITY – THE SAFETY AND THE WELL-BEING OF COLOMBIA'S CITIZENS.**

**THREE YEARS AFTER THE IMPLEMENTATION OF THE DEMOCRATIC SECURITY AND DEFENSE POLICY – COLOMBIA HAS ACHIEVED SUCCESSES ON THE BATTLEFIELD – AND BROUGHT A SECURITY PRESENCE TO ALL MUNICIPALITIES – PAVING THE WAY FOR ADDITIONAL GOVERNMENT INITIATIVES TO BRING SOCIAL SERVICES AND INFRASTRUCTURE TO THESE REGIONS.**

**THEY HAVE SECURED KEY HIGHWAYS BEYOND BOGOTA'S CITY LIMITS. FOR THE FIRST TIME IN MANY YEARS -- COLOMBIANS CAN TRAVEL ON THE ROADS FROM BOGOTA TO OTHER CITIES AND**

**REGIONS IN THE COUNTRY. THIS HAS REACTIVATED DOMESTIC TOURISM, INTERNAL CIRCULATION OF CAPITAL – AND INDEED – COMMERCE.**

**AN EXAMPLE OF COLOMBIA’S CIVIL MILITARY APPROACH HAS BEEN THE CREATION OF THE CENTER FOR COORDINATION OF INTEGRATED ACTION — A CABINET LEVEL INTER-AGENCY CENTER DIRECTED BY THE PRESIDENT TO ESTABLISH GOVERNANCE IN CONFLICTED AREAS BY DEVELOPING ECONOMIC AND SOCIAL PROGRAMS – THEREBY COMPLEMENTING THE DEMOCRATIC SECURITY AND DEFENSE POLICY.**

**THE KEY FUNCTION OF THIS INTER-AGENCY BODY IS TO EXTEND GOVERNMENT PRESENCE — GOVERNANCE — OVER NATIONAL TERRITORY – BY PLANNING AND EXECUTING COMMUNITY DEVELOPMENT IN THE AREAS OF SECURITY – ECONOMIC DEVELOPMENT – HEALTH – DOCUMENTATION – FOOD DISTRIBUTION – EDUCATION – JUSTICE – INFRASTRUCTURE DEVELOPMENT – AND JOB CREATION.**

**THIS PROGRAM IS EXECUTED AT NATIONAL – DEPARTMENTAL – AND LOCAL LEVELS OF GOVERNMENT — — IT TRANSITIONS THE SHORT-TERM SECURITY GAINS AND SUCCESSES INTO LONG-TERM BELIEF IN AND SUPPORT FOR —— GOOD GOVERNANCE.**

**THE EXAMPLES OF GUATEMALA AND COLOMBIA – AND I AM SURE THERE ARE OTHERS IN THE REGION – DEMONSTRATE THE INNOVATION REQUIRED TO ADEQUATELY ADDRESS THE CURRENT NEW SECURITY ENVIRONMENT. THEY REPRESENT POTENTIAL NEW APPROACHES TO GOVERNANCE THAT MERIT FURTHER EXPLORATION.**

**IN TODAY’S WORLD-- PROFOUND CHOICES LIE BEFORE US – WE ARE AT A STRATEGIC INFLECTION POINT AND MUST WORK TOGETHER – WITHIN OUR OWN GOVERNMENTS – AND WITH OUR NEIGHBORS – TO DETERMINE HOW WE CAN BEST PROVIDE FOR THE NEEDS OF ALL OF**

**OUR CITIZENS – THAT IS SECURITY – STABILITY – AND PROSPERITY IN THE HEMISPHERIC NEIGHBORHOOD.**

**AS WE CONTINUE TO ENGAGE THE COUNTRIES IN THE REGION, IT IS CLEAR THAT TRADE OPPORTUNITIES -- INVESTMENT IN INFRASTRUCTURE -- EDUCATION AND TECHNOLOGY WILL ASSIST IN PROVIDING THE REGION WITH THE NECESSARY TOOLS TO COMBAT POVERTY AND INEQUALITY. THE BENEFITS OF THESE TOOLS ARE EXPONENTIAL WITH A SAFE AND SECURE ENVIRONMENT.**

**INTERAMERICAN DEVELOPMENT BANK PRESIDENT -- LUIS ALBERTO MORENO – NOTED IN THE ORGANIZATION’S ANNUAL MEETING -- “THERE IS NO OFF-THE-SHELF MODEL FOR DEVELOPMENT, NO MAGIC FORMULA OR MIRACLE PRESCRIPTION. IT IS A PROCESS OF TRIAL AND ERROR.” AND-- AS WE’VE BOTH AGREED -- ECONOMIC GROWTH AND DEVELOPMENT ARE RESTRICTED WHEN A SOCIETY’S PREDOMINANT CONCERN IS SECURITY AND SAFETY.**

**THE MILITARY AND SECURITY FORCES OF ALL OF OUR NATIONS CAN HELP SET THE CONDITIONS TO CREATE A SAFE AND SECURE ENVIRONMENT – BUT THE REGION REQUIRES AN APPROACH THAT INTEGRATES THE SECURITY COMPONENT WITH DEVELOPMENT EFFORTS AND GROWTH OBJECTIVES. AN EFFECTIVE APPROACH REQUIRES A SYNCHRONIZED, LONG-TERM EFFORT.**

**THANK YOU FOR THE OPPORTUNITY TO BE HERE WITH YOU TODAY.**

**[ I LOOK FORWARD TO TAKING YOUR QUESTIONS.]**

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<sup>1</sup> *Latinobarómetro, 2005.*

<sup>2</sup> *Social Panorama of Latin America-- 2005.* ECLAC-- November 2005.

<sup>3</sup> *The Millennium Development Goals: A Latin American and Caribbean Perspective.* ECLAC-- June 2005.

<sup>4</sup> *Social Panorama of Latin America-- 2005.* ECLAC-- November 2005

<sup>5</sup> *Politics of Policies.* Inter-American Development Bank (also cited in NYT Article). IDB study provides additional charts on effectiveness of bureaucracy and policy implementation.

<sup>6</sup> D. Kaufmann, A Kraay, and M. Mastruzzi 2005: Governance Matters IV: Governance Indicators for 1996-2004 (<http://www.worldbank.org/wbi/governance/pubs/govmatters4.html>).

<sup>7</sup> *Social Panorama of Latin America-- 2005.* ECLAC-- November 2005.

<sup>8</sup> BG Gillet (BLZ) said 20%.

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<sup>9</sup> From December 5, 2005 to February 2, 2006.