What is the biggest challenge to democracy in Latin America and how do you think recent free trade agreements will affect democratization?

The biggest challenge to democracy does not come from trade. It comes during the stage after a country successfully completes an election. Elections are now being held throughout the hemisphere. The OAS has invested enormous resources in establishing legitimate voter registration lists, educating voters, and monitoring voting procedures. But after the election, the next critical stage is reforming the elected government to maintain a multi-party system, support competent and professional legislators, and build effective democratic institutions. These are the more difficult long-term challenges to democracy.
There is a growing demand for democracy throughout Latin America. Citizens are demanding infrastructure and health systems, and they are threatening to vote governments out of office if they do not deliver. Sometimes citizens do not even wait for the election; they just take to the streets and topple the government. There is a lot of tension between technocrats who insist upon slowly raising money to build infrastructure and politicians saying, “If I don’t deliver now, I’ll be voted out of office.” This is a change. Latin American citizens are feeling empowered, and there is a fear that governments are still weak. If citizen demands prove too impractical, some governments might be trapped in a kind of political paralysis.

How has the OAS responded to the emergence of Brazil as an economic and political leader in the region?

Brazil has recently taken many important steps, and it will be interesting to watch Brazil’s growing leadership in South America and the world. Everyone is closely watching Brazil’s leadership of the security forces in Haiti to see whether they will succeed and how they will bring other Latin American countries into the process. Many are happy to see Brazil emerging as a regional leader, but there are also skeptical voices that question Brazil’s motives.

Many of these changes play out in the day-to-day workings of the OAS. The OAS is a creature of the foreign ministries that form its directive body, and as Brazil’s role becomes more important, other countries will invariably question its motives within the OAS. But generally, I think the OAS is very open to having an alliance structure where different actors take different responsibilities, sub-regionally and regionally.

Many feared that Brazilian President Luiz Inácio Lula da Silva would be anti-business, but that concern seems to have subsided. How has Lula managed those fears?

The business community was in a panic when Lula was elected, and it has been very pleasantly surprised. The mistake that many analysts make about Latin America is that they take only the president into account instead of looking at entire governments. The ministries are full of qualified people with policies and strategies. The Brazilian foreign ministry has a worldwide view and they have representation all over Europe and the United States. Brazil’s Central
Bank is a professional organization, and the legislative branch is also relatively strong.

The president does not act only according to his personal agenda. Lula brought years of union negotiating experience to the presidency, and a successful union negotiator has to compromise. Early on in the administration, Lula made a very smart alliance with the business community, especially the modern business community, which believes that its future is connected to the world markets.

What internal pressures does the Brazilian government face?

There is immense democratic pressure for the government to take a new approach toward fighting poverty in Brazil. People are legitimately asking what the government is doing to reduce infant mortality or bring new roads to northeastern Brazil. The government has not been spectacularly successful on either issue, but there is still a sense that these programs are well intended and that with good technical know-how, the government can reduce poverty and bring benefits to excluded sectors of Brazilian society.

Citizens are also carefully watching Brazil’s actions on the world stage. Brazil has not yet succeeded in joining the United Nations Security Council or finalizing a MERCOSUR-EU trade agreement. The voters understand this is a work in progress and they have given the Brazilian government a certain amount of support, but people want tangible results.

To gain more popular support, the Brazilian government needs to figure out a way to revive the Free Trade Agreement of the Americas (FTAA) and obtain a few concessions from the United States. If Brazilian negotiators can get some movement on a couple of specific things, such as entering the U.S. orange juice market or lowering U.S. production subsidies, the Brazilian government will be able to reciprocate by opening its own markets. It is actually in the Brazilian economy’s interest to open Brazil’s service industry markets. Opening that sector of the economy will shake up Brazil’s banking system, bring in competition that may result in lower interest rates, bank the unbanked, and provide much better financial security to Brazilian businesses and consumers.
How should President Bush approach the U.S. relationship with Brazil?

President Bush would be smart to let the Brazilians have a little bit of a win on the trade issue. For example, if Bush is willing to use some of his political capital in Congress with the Florida delegation for orange juice, then it may be possible to lay the groundwork for an FTAA in which all parties feel included. So far, President Bush has been disappointing on free trade issues. He just has not used his political capital to make the FTAA go forward.

The internal U.S. debate over the Central American Free Trade Agreement (CAFTA) will really set the agenda for free trade in the hemisphere. The anti-trade people are focused on CAFTA, and after the bilateral agreement with Chile, they’ve drawn a line in the sand. Brazil is playing a very positive and smart game internationally. It has laid out the strategy, it has started the game, but we haven’t seen any touchdowns yet.

How would you describe the evolving relationship between China and Latin America?

China is now a major economic player in Latin America. The Chinese are pumping money into Latin America, and to some extent the Caribbean, mainly in commodity purchases, such as copper from Chile, agricultural products from Brazil, and minerals from Peru. The big question is whether the Latin American countries will use this revenue well. Governments have been talking about counter-cyclical policies where they would build up reserves during this time so they could spend those reserves during economic downturns, but whether they can actually implement these policies is still in doubt.

How does the OAS balance the principle of human rights with respect for state sovereignty?

The Human Rights Commission and the Inter-American Court of Human Rights have always tried to maintain their independence from member states. These organizations were set up when many countries were still under dictatorships, and their function was obviously very tricky because their mandate was to denounce dictator regimes that were also members of the OAS. To guard the commission’s independence, the OAS has had a separate human rights commission with
members elected among all the member countries.

The OAS as a whole still has the capacity to critique countries if it feels that the human rights decisions made by that country are breaking the spirit or the law of the Inter-American Charter or other human rights agreements. The OAS can raise the political profile of human rights issues in a multilateral forum and get people’s attention, giving it legitimacy that an NGO or a press report lacks. On the other hand, the OAS is limited in its ability to act. Over the years, the OAS has created a community standard on human rights. The bar was set relatively high during the 1970s and 1980s, when the OAS was an important voice in denouncing human rights violations. Now, rather than denouncing governments, the OAS is asking how to strengthen day-to-day protections of human rights.

The OAS now monitors a broader range of human rights issues. For example, it now has a special rapporteur on freedom of expression who travels around the region checking on national legislation that controls the press. If the OAS feels that proposed legislation undermines freedom of the press, the rapporteur speaks out and points out the way the legislation would violate a country’s international commitments. Freedom of the press is an essential element for democracy. If a government undermines press freedom, the rapporteur will say so in the capital of that country. The OAS has room to maneuver and speak up on these issues.