

FOCALPoint

CANADA'S SPOTLIGHT ON THE AMERICAS

Canadian Foundation for the Americas | Fondation canadienne pour les Amériques | Fundación Canadiense para las Américas
www.focal.ca

April 2011, Volume 10, No. 3, ISSN 1703-7964

Peru's general election: Volatile to the end

Fabiola Bazo and Maxwell A. Cameron

The country's election race has been marked by candidate-centred campaigns.



Photo: © Paolo Aguilar/epa/Corbis

Gana Perú party leader and presidential candidate Ollanta Humala greets supporters during a campaign rally in Lima, Peru, March 24, 2011.

When Peruvians gather at the polls on Sunday April 10, 2011, they will choose between 10 candidates for the presidency, and from 13 congressional slates fielding hundreds of candidates to fill 130 legislative seats. Their task will be complicated by the lack of a coherent party system and a large number of candidates. Most of the presidential aspirants are running with candidate-centred electoral vehicles. A second round seems unavoidable.

There has been remarkable volatility in Peru's presidential race over the past three months. Outgoing President Alan García's *Alianza Popular Revolucionaria Americana* (APRA) lost its presidential candidate Mercedes Araoz in January when she resigned over the composition of the congressional list. Now the once formidable APRA may be reduced to a rump in the legislature. In addition, the two late front-runners

have failed to excite voters and have slipped in the polls. Luis Castañeda Lossio (*Solidaridad Nacional*), the former mayor of Lima who was considered a favourite a year ago, has been dogged by allegations of corruption. The exquisitely timed release of an audit of his administration in mid-March, combined with his poor performance in presidential debates, helped derail his generally ineffective campaign. Alejandro Toledo (*Perú Posible*), president from 2001-2006, had also quickly moved to the top of the pack, but faltered toward the end of the race. Keiko Fujimori (*Fuerza 2011*), a member of congress and the daughter of incarcerated ex-president Alberto Fujimori, has been another serious contender throughout the race, but she has had trouble expanding beyond her core base.

Two previously low-profile candidates have managed to pull up from behind with the decline of Toledo and Castañeda: Ollanta Humala and Pedro Pablo Kuczynski. At the end of March, Humala (*Gana Perú*) took the lead. In

(Continued on page 3)

FEATURES

6 Cuba's Communist Congress conundrum | Sp 5

9 Economic troubles for Cuba

10 Corruption in Brazil

15 Haitians facing evictions | Fr 13

18 Bolivia's swing away from autonomy | Sp 16



FOCAL Views: Seeking out energy security

In the face of Japan's nuclear disaster, Latin America examines its own sources of power.

The crisis following the March 11 earthquake that devastated Japan was a frightening reminder of Chernobyl and Three Mile Island, leading governments and citizens worldwide to re-evaluate their nuclear power plans. Latin America was no exception.

Venezuela's Hugo Chávez was quick to ditch a partnership signed with Russia last year to develop a nuclear power plant, while Peruvian President Alan García said his country would remain nuclear-free for 100 years. The repudiation was not universal, though, and the region's members of the nuclear club —Argentina, Brazil and Mexico— defended their reactors' safety. Chile, meanwhile, signed a nuclear co-operation agreement with the U.S. ahead of President Barack Obama's state visit on March 21. While President Sebastián Piñera's government has insisted the agreement is about training nuclear engineers and not about establishing nuclear plants, this hasn't satisfied citizens and opposition parties concerned about the potential consequences of nuclear power for their country, located on the volatile Pacific Ring of Fire and no stranger to catastrophic earthquakes. Obama was thus welcomed by 2,000 protesters who took to Santiago's streets to voice their disapproval.

The question remains though: If not nuclear power, then what?

In Chile, there are plans to build a dozen coal-fired power plants to fuel the country's metals industry, including a 2,400-megawatt plant that will be the continent's largest. However, coal is a major source of carbon emissions and its extraction also costs human lives: almost 100

coal miners died in Colombia, a major coal exporter, in 2010, and more than 25 have already perished in accidents this year.

Chile is a net energy importer, and a frustrated one after neighbouring Argentina began restricting natural gas exports in 2004, violating a state-to-state treaty. Argentina suffered its own shortages after Bolivian President Evo Morales cut exports of natural gas following nationalization in 2006.

This demonstrates that domestic priorities trump regional markets, and a lack of independent regulators stands in the way of increased regional energy integration. The temptation of resource nationalism is strong in Bolivia, Ecuador and Venezuela, among other countries.

Latin America, like other developing regions, must meet a rapidly growing energy demand at low cost, and do so while limiting carbon emissions. There are still 50 million people living without reliable or affordable access to electricity in the region. According to the Inter-American Development Bank, regional energy demand will have increased 75 per cent by 2030, requiring a 145 per cent increase in energy capacity. Development and poverty reduction depend on meeting that demand, and nuclear power is a potentially inexpensive option for energy-dependent countries, without coal's harmful emissions.

Even more promising is the development of biofuels. Brazil is poised to become an energy superpower thanks to its sugar cane-based ethanol —as well as hydroelectricity and newly discovered offshore oil. The biofuels it produces are

remarkably clean, as sugar-based ethanol generates two-fifths of the carbon emissions of petrol and half that of corn-based ethanol. Flex-fuel cars that can run on either petrol or ethanol are driving demand: they currently make up half of Brazil's automobiles and could reach 90 per cent in 2017. Brazil is already yielding benefits from its effective energy mix: The *Luz Para Todos* (Light For All) program, launched by then-energy minister Dilma Rousseff, has hooked up almost 2.5 million homes since 2003.

Biofuels production has its drawbacks too, however, namely its impact on food production and prices, deforestation, and biodiversity. What is needed is an environmentally sound plan that recognizes increasing demand and continuing reliance on traditional energy sources.

China understands Latin America's untapped energy potential and has secured at least \$65 billion in deals for oil and refineries in Latin America since 2010; it has even proposed a \$7.6 billion rail line or "dry canal" through Colombia to circumvent the Panama Canal, which cannot accommodate large tankers. Perhaps we too should recognize the region's production capacity and put our hemisphere's energy security at the top of the priority list.

FOCALPoint Editorial Board

Editor

Madeleine Bélanger Dumontier

Assistant Editor

Ruth Mestechkin

Executive Director

Carlo Dade

Communications Intern

Mark Burgess



Peru's general election: Volatile to the end

(Continued from page 1)

2006, he won the first round of the general election only to be defeated by García in the runoff. This time he has moderated his image and distanced himself from Venezuela's Hugo Chávez—an association that cost him dearly in that campaign.

Humala has walked a fine line between tapping into the frustrations of those left behind by a decade-long economic boom and trying not to frighten investors. He has worked with advisors from the Brazilian Workers' Party to cast himself in the mold of successful leader Luis Inácio Lula da Silva. Humala has also benefited from the release of confidential cables from the U.S. Embassy in Lima by Wikileaks, which show how cravenly some of his

opponents courted Washington's help to cause his 2006 defeat. With the resignation of Manuel Rodríguez Cuadros (*Fuerza Social*) in early March, Humala is now the sole candidate to occupy the left of the political spectrum.

Kuczynski (*Alianza por el Gran Cambio*) has run on his record as former prime minister and minister of finance for the Toledo administration, competing with his ex-boss for credit as the architect of Peru's current economic model. Kuczynski's rise has probably contributed to Toledo's decline. He has relied on a strong web presence, and met with TV celebrities to bolster his well-financed campaign. His good sense of humor when a woman grabbed him between the legs on the

campaign trail has humanized him, especially among youth. However, the buzz around Kuczynski may not translate into votes; right-wing candidates in past elections have been limited in the number of votes they can attract beyond certain social groups.

The remaining five candidates, a collection of colourful characters, failed to collectively garner more than one per cent of voter intentions in most polls. With no candidate remotely close to the 50 per cent mark, a runoff seems unavoidable, though it remains hard to predict who will pass into the second round, as differences among candidates fall within the margin of error. The final stretch will be tense, and may hinge on effective campaigning for the substantial undecided vote. Performance in the April 3 final presidential debate could also influence the result.

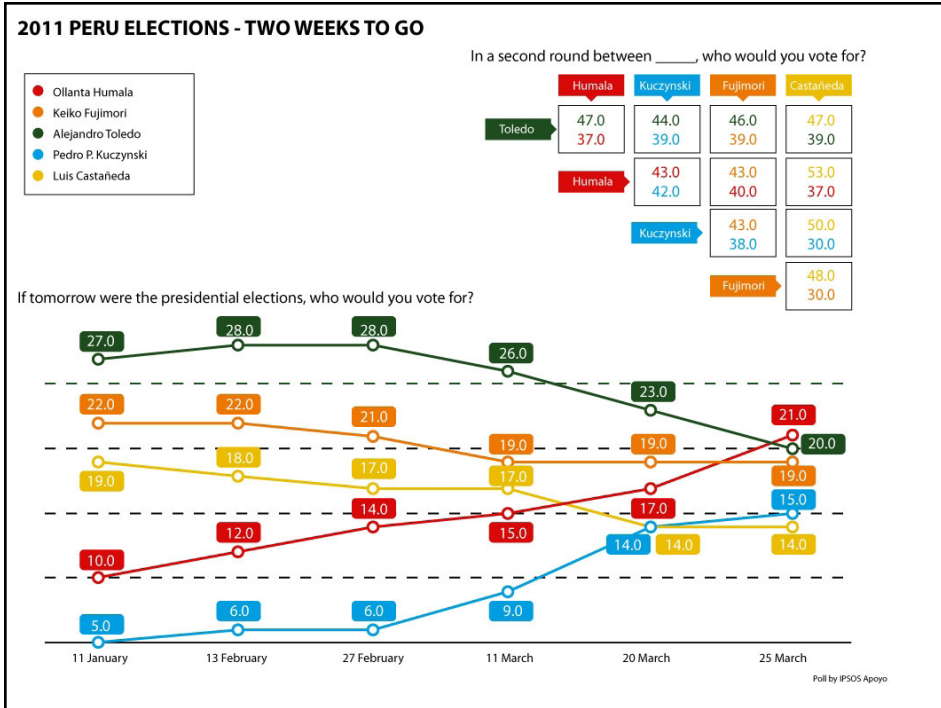
Overall, without coherent parties this election has lacked distinctive programmatic alternatives, and campaigns have emphasized celebrity and spectacle. In part, this is because the candidates, with the exception of Humala, tend to agree on many issues.

However, Peru's preferential congressional list system encourages this type of candidate-centred competition, with contenders competing against their peers on the same ticket as much as against rival parties. As a result, campaign spending and advertising often reaches a level of intensity that confuses and annoys voters.

The lack of party organization has resulted in a series of extensively publicized problems within internal primaries, and a lack of quality control in the



"The optic has changed. You are no longer our backyard."



nomination of candidates. Media reports of allegations regarding the sale of nominations and political donations from drug traffickers have contributed to public cynicism.

Notwithstanding the volatility of the electorate, there are a number of relative constants in Peruvian politics. Most voters are pragmatic centrists and have a penchant for turning the tables on the political establishment. The coast, especially Lima, carries a lot of electoral weight, and support in the south and central highlands, when combined with votes in the coast, can create a powerful bloc of voters.

Humala's ideological stance has the potential to attract voters for the first round, especially since the right-wing vote is split among several candidates. The result of the runoff, however, will depend on how those who voted for losing candidates in the first round decide to vote in the second. This is a big problem for Fujimori, Humala and Kuczynski, who probably have reached

their electoral base. Toledo, for his part, would have a good chance of winning if he can make it into the second round.

As is generally true in Peruvian electoral politics, the best bet is to assume volatility to the end.

Fabiola Bazo is an independent consultant and founder of the "Peru Election 2006" blog. Maxwell A. Cameron co-ordinates the Andean Democracy Research Network in the Centre for the Study of Democratic Institutions at the University of British Columbia. The authors are grateful to Steve Levitsky, Cynthia Sanborn and Ann Cameron for comments.

MEETINGS

FOCAL co-hosts dialogue on Haiti at IDB Annual Meeting

FOCAL and the Inter-American Development Bank (IDB) Office of Outreach and Partnerships co-hosted a well-attended session on Innovative New Business Models and Social Investment at the IDB Annual Meeting March 25-28, 2011 in Calgary, Alberta.

The meeting —inaugurated by IDB President Luis Alberto Moreno, Senior Counselor for Haiti Ericq Pierre and FOCAL Board Chair Kathryn Hewlett-Jobes— featured two panels of foreign companies and NGOs discussing the role of private social investment in Haiti, business-NGO partnerships and the strategies with which foreign companies can earn profits while contributing to the development of the country in sustainable ways. Panelists included Air Canada CEO Duncan Wood, Diesel Canada CEO Joey Adler, Executive Director of the Voila Foundation Tanya Baskin, and Jean Capili of World Vision Canada, which has partnered with Scotiabank and in one of the first cell phone banking schemes in the country. The panelists urged those in attendance to look beyond charity and to focus on investments that have longer-term and more productive returns for Haiti. In closing the session, IDB Vice-President Julie Katzman and FOCAL Executive Director Carlo Dade noted that while difficult given the conditions, making profits and making a difference in Haiti is not an impossible task.

FOCAL, in co-operation with the IDB and the Canadian International Development Agency, will host a meeting in Washington, D.C. in mid-May with leading companies in the Haitian private sector to discuss their role in promoting sustainable development in the country.



Congreso del Partido Comunista de Cuba: Navegando entre dos aguas

Ana J. Faya

(English translation follows)

El liderato cubano enfrenta actualmente una grave crisis interna.

Del 16 al 19 de abril de 2011 tendrá lugar en La Habana el VI Congreso del Partido Comunista de Cuba (PCC), el cual deberá sancionar un ambiguo proceso de reformas económicas que la elite gobernante denomina “actualización del sistema”. Renuente a admitir que se emprenden reformas, el liderato cubano enfrenta una grave crisis interna mientras se pronuncia fiel al socialismo y confía en un incipiente y maniatado sector privado para salvar la economía nacional.

El Presidente de Cuba y Segundo Secretario del PCC, Raúl Castro, dijo en diciembre de 2010 que la situación de la isla es la de un país al borde del abismo, con lo cual coinciden los analistas de cualquier tendencia. El régimen enfrenta una grave crisis financiera y de credibilidad.

Por una parte, el país tiene dificultades para cumplir con sus compromisos financieros: no recibe créditos de instituciones internacionales; no se materializan las expectativas sobre las reservas petroleras; y la ayuda proveniente de Venezuela parece tocar fondo.

Por otra, las fuentes de legitimidad del gobierno se desvanecen con celeridad en una población que lucha por sobrevivir en medio de escaseces elementales mientras ve disminuir los subsidios del Estado. La lucha contra el embargo de Estados Unidos se ha vuelto difícil de vender como arma de cohesión interna, en tanto el propio gobierno cubano ha admitido públicamente

que buena parte de los problemas económicos de la isla no se deben al embargo, sino a ineficiencias y malas decisiones de política. Servicios como educación y salud pública —históricamente presentados como los logros del sistema— no podrán recibir el mismo nivel de subsidios de años atrás, y están sometidos al escrutinio de una población que sufre su gradual deterioro.

La situación de la isla
es la de un país al
borde del abismo.

Ante esta situación, al gobierno cubano se le presenta la disyuntiva de realizar cambios que ha calificado de “inaplazables” para la sobrevivencia del sistema, como la descentralización estatal, pero que podrían poner en riesgo el modelo totalitario existente hasta hoy y, por ende, el sostén de la elite de poder. Es en medio de esas vacilaciones que, después de haberse pospuesto 13 años, el Congreso, que según los Estatutos del PCC, “decide sobre todas las cuestiones más importantes de la política”, se centrará en la discusión de un magro *Proyecto de Lineamientos de la Política Económica y Social*.

El proyecto aspira a perfeccionar un modelo disfuncional mientras transita un delicado equilibrio: Introduce un sector privado que deberá absorber

a más de un millón de desempleados del sector estatal —excepto de los órganos represivos y de seguridad, que han crecido—, y advierte que no se permitirá la concentración de capital en manos privadas. Esta ambigüedad ha dado lugar a críticas desde todas las orillas. Algunos militantes comunistas ortodoxos han expresado su disgusto sobre las reformas y las han calificado de “capitalismo monopolista de Estado” mientras sectores reformistas dentro del sistema y otros de la oposición las tildan de “cosméticas”, porque no hay una reestructuración real del régimen actual, y “carentes de base real”, por no existir recursos ni financiación que permitan la expansión del sector privado.

Lo cierto es que tanto en asambleas convocadas por el PCC para discutir los lineamientos, como en vías paralelas del ciberespacio, los cubanos han volcado sus opiniones, y el 1 de marzo Raúl Castro anunció que la puesta en marcha de los despidos demorará. Quizás el gobernante tuvo en cuenta uno de los criterios más reiterados por especialistas —que se espere a que el sector privado se consolide para proceder a las cesantías—, y quizás también decidió mostrar cautela ante el clima social explosivo creado por el anuncio de los despidos y los recortes de beneficio social (cierre de comedores obreros, gradual desaparición de la cartilla de racionamiento), además del contexto internacional de protestas contra dictaduras longevas. Sobre la “actualización del modelo”, Raúl Castro anunció



que, por su "complejidad", requerirá no menos de cinco años para su completa implementación. Habrá que esperar por las sesiones del Congreso para ver si se delinearán mejor estos planes, hasta el momento confusos y fluctuantes.

Las consecuencias de la introducción de estas reformas son difíciles de predecir.

Se verá también si en el Congreso se toman en cuenta planteamientos de especialistas de la isla, como abandonar el modelo de planificación; abolir los 10 años de límite sobre las nuevas parcelas de tierra entregadas; crear un soporte jurídico que ampare al nuevo sector privado; legalizar la compra y venta de viviendas y vehículos; flexibilizar el oneroso sistema de impuestos sobre los cuentapropistas; y crear cooperativas industriales y de servicios en empresas que fueran estatales.

A pesar de que Raúl Castro le ha pedido a la dirigencia un "cambio de mentalidad", parece quedar fuera de discusión el papel que debiera jugar la diáspora cubana en el proceso de reformas, mediante el apoyo al nuevo sector privado en concordancia con el uso utilitario que el gobierno hace de sus remesas. También quedarán fuera de discusión el fin de la represión, de las detenciones arbitrarias, y las demostraciones de repudio contra la oposición pacífica. El Congreso dejará fuera, además, asuntos políticos y civiles de importancia, como la abolición de los permisos de entrada y salida del país para los cubanos; el fin de los controles sobre los medios de comunicación

e Internet; y la libertad de asociación —asuntos que constituyen soportes básicos para lograr un desarrollo económico sostenible en cualquier sociedad.

En el Congreso, que según Raúl es el último de la "dirección histórica", se deberá aprobar el nuevo Comité Central, y se sabrá quiénes serán el Primero y Segundo Secretario del PCC, aún bajo la jefatura oficial de Fidel y Raúl Castro.

Hasta el momento todo indica que las decisiones del VI Congreso prolongarán el status quo con la adopción de reformas ambiguas bajo fuertes controles. Pero las consecuencias de la introducción de estas reformas son difíciles de predecir. Porque cuando en política se anda entre dos aguas puede predominar cualquiera de las tendencias en juego. El hecho cierto es que la economía no será la misma y la sociedad cubana no lo es ya. La elite de poder debiera también cambiar, después de 52 años es hora.

Ana J. Faya es Analista de Política y Consultora independiente.

The Congress of the Communist Party of Cuba: Walking a fine line

Ana J. Faya

Cuba's leaders are currently facing a serious internal crisis.

The Sixth Congress of the Cuban Communist Party (PCC) will take place in Havana April 16-19, 2011, during which an ambiguous process of economic reform that the governing elite calls "updating the system" will be sanctioned. Reluctant to admit that they are undertaking reforms, Cuba's leaders face a serious internal crisis; meanwhile they continue to express loyalty to socialism and rely on a fledgling and confined private sector to save the national economy.

The island now finds itself at the edge of an abyss.

In December 2010, Raúl Castro, the president of Cuba and second secretary of the PCC, said that the island now finds itself at the edge of an abyss, and analysts across the political spectrum agree. The regime is facing serious financial and credibility crises.

On the one hand, Cuba is having difficulty fulfilling its financial promises: the country does not receive



credit from international institutions; oil reserve prospects have not materialized; and aid from Venezuela seems to have bottomed out.

On the other hand, the sources of the government's legitimacy are dissolving quickly among a population that is struggling to survive in the midst of basic shortages and shrinking state subsidies. The struggle against the U.S. embargo has become a tough sell as an instrument for internal cohesion since the Cuban government itself has publicly admitted that a good part of the island's economic problems is due to inefficiency and bad policy decisions rather than the embargo. Services such as education and public health, which have historically been presented as achievements of the system, can no longer receive the same level of subsidies that they did in past years and are now subject to scrutiny by a population enduring their gradual deterioration.

Given this situation, the Cuban government faces the dilemma of making changes it has qualified as "pressing," such as decentralizing the state, to ensure the system's survival. However, such changes could jeopardize the totalitarian model that has existed until now and, ultimately, support for the elite in power. It is within the context of this dilemma that after 13 years of postponement, the Congress, which according to the statutes of the PCC "decides on all of the most important policy issues," will meet to focus the discussion on the meager *Draft Guidelines for Economic and Social Policy*.

The Guidelines seek to perfect a dysfunctional model while walking a fine line: the document introdu-



Photo: © A 4045 Jose Goitia/dpa/Corbis

Cuban President Raúl Castro in Santa Clara (Eastern Cuba) during the celebration of the National Day, July 26, 2010.

ces a private sector that will have to absorb more than one million unemployed workers from the public sector (excluding coercive and security agencies, which have grown), yet warns that concentrating capital in private hands will not be permitted. This ambiguity has generated criticism from all sides. Some militant orthodox communists have expressed their dissatisfaction with the reforms and have labelled them "state monopoly capitalism"; reformists within the system and others from the opposition describe the guidelines as "cosmetic" because they do not include an actual restructuring of the current regime and as "lacking a real base," as there are no resources or financing to allow the private sector to expand.

What is certain is that Cubans have expressed their opinions both in the assemblies convened by the PCC to discuss the Guidelines and on the web, and on March 1 Raúl

announced that the beginning of the layoffs would be postponed. Perhaps the government took into consideration one of the most reiterated arguments offered by specialists: Wait until the private sector consolidates before proceeding with dismissals. Perhaps the government also decided to show caution given the explosive social climate created by the layoff announcements and cuts to social benefits—such as the closing of workers' canteens and the gradual disappearance of the rations book—in addition to the international context of protests against long-lived dictatorships. Raúl has announced that due to the "complexity" involved in "updating the system," it will take at least five years to implement the new model completely. We will have to wait until the Congress meets for a clearer outline of these plans, which are currently vague and shifting.

It also remains to be seen if the



Congress will take into consideration proposals by specialists on Cuba that include: abandoning the planning model; abolishing the 10-year limit for leasing new plots of land; creating legal support to protect the new private sector; legalizing the buying and selling of homes and vehicles; adding flexibility to the onerous tax system for the self-employed; and creating industrial and service co-operatives from state-run companies.

The consequences of introducing these reforms are difficult to predict.

Despite the fact that Raúl has asked the leadership for a "change in mentality," what has been left out of discussions is the role that the Cuban diaspora should play in the reform process given its support for the new private sector through remittances, of which the government has made a utilitarian use. The Congress will also exclude topics such as ending repression, arbitrary arrests and "repudiation meetings" against peaceful opposition; it will disregard important political and civil issues, such as abolishing permits for Cubans entering and leaving the country or ceasing control of communications and the Internet; and it will not discuss freedom of association. Yet, these issues constitute the basis for reaching sustainable economic development in any society.

According to Raúl, this Congress will be the last one held by the "his-

toric administration." It will have to approve the new Central Committee and make appointments to the positions of first and second secretaries of the PCC, currently held by the official leaders, Fidel and Raúl Castro.

To date, everything indicates that the decisions of the Sixth Congress will prolong the status quo by adopting ambiguous reforms under strong controls. But the consequences of introducing these reforms are difficult to predict; in politics, when one walks a fine line any of the tendencies in play can prevail. Clearly, Cuba's economy will change as Cuban society already has. The elite in power should change, too. After 52 years, it is about time.

Ana J. Faya is an Independent Consultant and Policy Analyst.

ENVIRONMENT

Caribbean tsunami testing points to system shortcomings

In the wake of Japan's catastrophic earthquake and tsunami, the Caribbean saw fit to test its own tsunami warning system March 23, and the results highlighted room for improvement.

Caribe Wave 2011 simulated a 7.6-magnitude earthquake off the Virgin Islands' coast, generating a tsunami with 10-metre high waves. The scenario involved 34 countries and tested the Caribbean warning system established in 2005 by the United Nations Educational, Scientific and Cultural Organization's (UNESCO) Intergovernmental Oceanographic Commission.

A "dummy" message was issued from both the Pacific and Alaska tsunami warning centres to national authorities, who alerted the public using methods as varied as sirens, media outlets and text messages. However, only a few mobile telephone operators participated and the message was not received in several areas by the Global Telecommunications System.

Still, UNESCO Director-General Irina Bokova was "delighted with the level of participation" in the exercise, adding that "such drills are essential to evaluate the efficiency of warning systems and ensure their efficient operation when catastrophe strikes."

Caribbean locals call tsunamis *el peligro olvidado*, the forgotten danger. The last major tsunami occurred in 1946, killing almost 1,800 people in the Dominican Republic. Atlantic Ocean tsunamis only occur approximately every 20 years, but population and tourism growth in coastal areas have increased their potential damage.



Cuba's economic agenda and prospects

Archibald Ritter

Economic reform is a possibility, but political reform may not be in the cards.

The Sixth Congress of the Communist Party of Cuba, taking place April 16-19, 2011, will focus on a comprehensive range of economic reforms, labelled an "updating" of its model, but ostensibly not a movement away from Cuban socialism. This reflects the depth of Cuba's economic problems as well as the unwillingness of the regime to tolerate discussion of political reform, which is not on the agenda.

The Cuban economy faces severe difficulties, despite purportedly high GDP growth figures. The real state of the economy can be summarized as follows. There has been minimal recovery from the near 80 per cent collapse in the population's real income levels since 1989. De-industrialization brought 2010 industrial output to 51 per cent of its 1989 level. Sugar production has declined catastrophically, from roughly seven million tonnes in the 1980s to approximately 1.3 million tonnes per year at present. Reduced production of foodstuffs has resulted in major increases in food imports. Investment has been insufficient, at 8.5 per cent of GDP (compared with 21.9 per cent for Latin America in 2008). There are high levels of under-employment in the state sector—an estimated 1.2 to 1.8 million workers, or 20 to 35 per cent of the labour force—compared to the official unemployment rate of 1.6 per cent. These factors are combined with a half-century of monetary pathology, 20 years of the

dual exchange rate and monetary systems, and heavy reliance on special trade arrangements of dubious sustainability with Venezuela.

President Raúl Castro has spoken forcefully on the need for economic reform (in contrast with the complacency of his brother Fidel), stating in August 2010: "We face unpleasant realities, but we are not closing our eyes to them. We are convinced that we must break dogmas, and we undertake with strength and confidence the modernization, already underway, of our economic model."

President Raúl Castro
has spoken forcefully
on the need for
economic reform.

The character of socialism has also been redefined under Raúl's regime as spelled out in the *Draft Guidelines for Economic and Social Policy*, a document released in November 2010 as part of the lead-up to the Congress: "In the economic policy that is proposed, socialism is equality of rights and opportunities for the citizens, not egalitarianism." This may be of game-changing significance, suggesting that Cuba is moving toward "social democratic" orthodoxy.

When Raúl succeeded his brother in 2006, there were heightened expectations that he would introduce reforms, given his reputation for

pragmatism. However, few significant changes were introduced in his first four years, with the exception of postponement of the retirement age and the granting of 10-year leases on unused state-owned farmlands to private farmers.

In October 2010, Raúl introduced a program to downsize the state sector that would lay off 500,000 redundant workers by March 31, 2011, and ultimately, 1.8 million workers in total by 2015. These workers were to be absorbed in an invigorated small-enterprise and co-operative sector. In order to encourage small enterprise, the licensing process, regulatory system and tax regime were liberalized. These measures were headed in the right direction, but were too modest to stimulate the required expansion of self-employment. By January 2011, some 83,400 new self-employment licenses had been granted—far below the 500,000 target for March 31. Because of this, the implementation of the state sector downsizing was decelerated and indeed appears to be on hold until after the April Congress. Few if any workers have actually been laid off, although some have been told that they are to be let go, prompting informational and procedural discussions in many workplaces.

The *Draft Guidelines for Economic and Social Policy* document was issued by the government to serve as the basis for public discussion of the reforms and prepare a more



definitive strategy to be approved at the Congress. These Guidelines include 291 recommendations for changes in every area of economic and social policy. It is a statement of aspirations, with no indication of policy priorities, sequences or co-ordination. The reforms are to be within the framework of the socialist planning system.

There are a variety of views among analysts regarding the possible outcome of the Congress. Some expect no meaningful policy changes. But others—including some dissident economists and mainstream analysts alike—are optimistic and expect reforms. Indeed, the climate of opinion within Cuba decisively favours reform.

The reforms are to be within the framework of the socialist planning system.

Can Raúl's administration forge a workable strategy from the Guidelines' wish list? Given the deliberative and systematic way in which Raúl has proceeded so far, this appears probable. A process of economic—but not political—reform will most likely begin after the Congress. Where it will lead is hard to predict. Presumably Raúl's regime would like the process to end with a new balance between public and private sectors, with a controlled movement toward the market mechanism in price determination and the shaping of economic structures, and with the construction of a rational configuration of incentives

shaping citizens' daily economic actions so that their private endeavours become compatible with Cuba's broader economic well-being. This, however, remains to be seen.

Archibald Ritter is a Distinguished Research Professor Emeritus in the Department of Economics and the Norman Paterson School of International Affairs at Carleton University. He has written and published extensively on Cuba and its development policies, and is the former director of FOCAL's Cuba program.

Political accountability in Brazil

Timothy J. Power and Matthew M. Taylor

Corruption in the country is systemic, and coupled with widespread impunity.

Budget dwarves, bloodsuckers, the anaconda, and the big monthly allowance, or *mensalão*. These are but a few of the colourful names of scandals that have hit the Brazilian political scene since the transition to democracy, illustrating both the enormous public repercussions of corruption in contemporary Brazil and its high costs to the body politic. Over the past two years, a string of videos have shown the governor and several state assembly members of the *Distrito Federal* allegedly receiving bribes. Recurring scandals such as these have become a regular part of democratic discourse, with important effects not only on the efficacy of policy-making, but also on public views of democracy. Polls show that Brazilians remain largely confident that democracy is the best possible political regime. Yet in part because of the ongoing drumbeat of scandal, polls also show a steady decline in trust in government institutions over the past generation.

Accountability, meanwhile, has been sorely missing or inadequate, with existing institutions unable to either formally punish or clear the names of the accused. Scandals come and go, but a host of actors implicated in the past remain firmly ensconced in both state and national politics. The effects of this absence of accountability are both political and economic, with im-



portant repercussions for the world's fourth largest democracy and Latin America's leading economic engine.

This is not to say that nothing is being done to confront the issue. Brazil has seen a remarkable evolution in its accountability institutions since the transition from democracy began in earnest in the early 1980s. Several anti-corruption bureaucracies were created from scratch, such as the Federal Comptroller's Office (CGU), others were transformed beyond recognition, such as the Federal Police and the Public Prosecutorial Service (*Ministério Público*), and the underlying legislation that governs accountability has been rewritten in important ways. Simultaneously, structural changes, such as economic stabilization and greater integration with the world economy, have combined with the effects of democratization, such as the mobilization of civil society and the deepening of press freedom, to improve transparency and make corruption more visible to the public.

Yet impunity still reigns, with important effects on the transmission of corrupt practices and corrupt actors across the political realm, rising from state to federal office and across all three branches of government. The electoral system, the courts, and even law enforcement itself have been plagued by corrupt practices that often meld together with other forms of criminal and violent behaviour. Impunity is in itself almost as great a problem as corruption, as Steve Morris pointed out when he referred to impunity as corruption's "evil twin" in his 2009 book on corruption in Mexico. Corruption destroys trust, but impunity compounds the error by eroding confidence in all politicians and perhaps in the political



Photo: Marcello Casal Jr., Agência Brasil

Students at an anti-corruption rally in Brasília, April 22, 2010.

system itself.

Given the enormous economic, political and social costs of corruption and impunity, why has Brazil proved unable to effectively address the problem, and impose accountability effectively?

In *Corruption and Democracy in Brazil: The Struggle for Accountability*, we address these issues together with a team of leading Brazil scholars. The volume seeks to understand how the "web" of accountability institutions—as coined by Scott Mainwaring and Christopher Welna in 2003—functions in Brazil, and how it has influenced the patterns and prevalence of political corruption under democracy. Our contributors look not only at individual accountability institutions, but also at how these institutions work in tandem, focusing on country-specific interactions and idiosyncrasies.

Our concern is with interdependence: of the accountability process (oversight, investigation and sanction); of the government and civil society institutions involved in imposing ac-

countability; and of different types of sanctions, be they political (e.g. congressional censure), electoral (e.g. failure to win re-election), reputational (e.g. negative media coverage), or legal (e.g. criminal prosecution). While there are indeed important weaknesses in many of Brazil's accountability institutions, we argue that the root causes of impunity arise from various pathologies of interdependence, which shape the incentives facing both accountability institutions and their targets.

Some contributors look at electoral dynamics, public opinion and the way individual voters perceive and punish wrongdoing. Others focus on dimensions of accountability such as performance of media, accounting institutions, police, prosecutors and courts. They jointly address four frequently-cited causes of corruption and impunity in Brazil: the executive-dominated process of coalition formation, which undermines traditional checks and balances; the electoral system and its effects on both campaign finance and



electoral accountability; the ineffective court system, which provides enormous margin for dilatory appeals and important privileges to elected officials; and federalism, which permits corrupt practices to percolate from local and state governments up to the federal government.

The root causes of impunity arise from various pathologies of interdependence.

We find that some problems of impunity are an outcome of individual institutional weaknesses—for example, incomplete or purposefully weak laws, inefficient courts, or politically dominated media in some states. But the larger problem is systemic, driven by the web's magnification of these individual weaknesses and by the difficulty any institution has in fully dispatching accountability functions single-handedly. This leads to compensatory strategies by which various bureaucracies have sought to overcome the weakness of their peer institutions. Sometimes, these strategies seek to bypass or minimize the participation of peer institutions that are perceived to be corrupt or ineffective. Oftentimes, compensatory sanctions are used, with bureaucracies implementing their own relatively weak but certain sanctions, such as leaks to the press or administrative fines, over more punitive but highly uncertain sanctions by peer institutions, such as the courts. When these compensatory moves are summed across institutions, their net effect is to limit accountability, even as they increase

public awareness of corrupt practices.

Despite the pernicious effects of repeated scandals on public opinion, they have nonetheless led to unexpected gains by driving incremental reforms, activating civil society and leading to the creation of new legislation. This is not always an orderly process, and it does not promise wholesale improvements in the short run. But the marginal gains it has provided may nonetheless prove to be more effective and lasting than any great anti-corruption campaign led from above. Indeed, while dissatisfaction with politicians is high, and popular beliefs about corruption are dispiriting, the view from the wide-angle lens of the past generation suggests an enormous improvement in the provision of the public good of accountability. With luck and persistence, these effects will build on themselves, increasing the overall effectiveness of the web of accountability and increasing citizen satisfaction with democratic politics.

Timothy J. Power is Director of the Latin American Centre at the University of Oxford. Matthew M. Taylor is Assistant Professor of Political Science at the University of São Paulo, Brazil. Their book Corruption and Democracy in Brazil: The Struggle for Accountability will be released later in April by the University of Notre Dame Press (<http://undpress.nd.edu/book/P01452>).

ECONOMY

South America sympathetic to China's growth

People of the Americas are wary of China's growing economic and military influence, but the level of concern is marked by a North-South divide, according to a recent BBC poll.

While North American Free Trade Agreement (NAFTA) members take a harsher view of China's economic power, trade policies and military growth, the Asian giant finds a more sympathetic population in South America.

Canadians and Americans have an increasingly negative view of China's economic emergence, with a small majority in both countries viewing its influence negatively. This is much different from 2005, when a majority of Canadians and strong plurality of Americans saw China's economic rise positively. Most striking was North American attitudes toward China's growing military power: roughly eight of 10 North Americans saw this in negative terms.

Mexicans have hardened their opinions of China since 2005. Only 27 per cent view the country's economic rise as positive—halved from 54 per cent in 2005—while 53 per cent of Mexicans are now wary of China's growing military might.

In South America, Peru and Brazil both view China's economic emergence positively, with negative perceptions declining in Brazil. As for China becoming a military power, only Peruvians hold a favourable view (41 per cent positive; 28 per cent negative).

The poll was conducted for the BBC by GlobeScan/PIPA, which contacted 28,619 people in 27 countries.



Haïti face aux évictions forcées

Amélie Gauthier

(English translation follows)

La question de la relocalisation des déplacés des camps se fait pressante.

Le nombre de déplacés dans les camps créés au lendemain du séisme qui a frappé Haïti en janvier 2010 ne cesse de diminuer selon les chiffres présentés par l'Organisation Internationale pour les Migrations (OIM) en mars dernier. Ces camps abriteraient aujourd'hui 680 000 personnes au lieu des 1.5 million qui y étaient entassées au sommet de la crise. Toutefois, ceci cache un enjeu de taille : plus de 233 000 personnes dans 247 camps font face à des menaces d'évictions forcées ou ont déjà été évincées par les propriétaires fonciers.

Dès juin 2010, les premiers cas d'évictions sont apparus, prenant la communauté humanitaire au dépourvu ; elle a donc géré la situation comme elle a pu, au cas par cas, en demandant un moratoire au gouvernement d'Haïti. Selon la loi haïtienne et la loi humanitaire internationale, les propriétaires n'ont pas le droit d'évincer les déplacés et victimes du tremblement de terre. Néanmoins, certains propriétaires ont pris des mesures pour expulser les occupants, certains allant même jusqu'à utiliser la force en agissant parfois la nuit. La communauté humanitaire a été lente à réagir face aux évictions et la réponse a manqué de cohérence et de leadership clair jusqu'à récemment. Beaucoup d'Haïtiens n'ont pas où aller, se déplaçant soit vers d'autres camps, soit dans de nouveaux sites ou se joignant aux familles évincées dans des lieux illé-

gaux. Toujours selon l'OIM, d'autres familles retournent dans des logements inadéquats et peu sécuritaires.

Plus de 233 000
personnes dans 247
camps font face à
des menaces
d'évictions.

Une enquête menée par Oxfam auprès de familles évincées de Port-au-Prince révèle que leur situation s'est aggravée depuis leur expulsion. Elles ont perdu l'accès aux services de base, entre autres à l'eau traitée et à l'assainissement, et ne sont généralement pas en moyen de payer un loyer et d'assurer leur subsistance. Bien qu'elles aient reçu une compensation financière du propriétaire pour sortir du camp, cette somme est vite dépensée pour subvenir aux besoins alimentaires de la famille, pour soigner les malades ou encore pour investir dans un petit commerce. Beaucoup d'entre eux se retrouvent dans des situations très précaires. Par ailleurs, le Bureau de la coordination des affaires humanitaires des Nations Unies (OCHA) affirme que plusieurs évincés se sont installés à Canaan, un site de relocalisation illégale à l'extérieur de Port-au-Prince, sans aucun service et vulnérable aux inondations, où les ONG ne peuvent leur porter assistance

sur ordre du gouvernement.

Bien que la responsabilité incombe au gouvernement de garantir les droits des déplacés et d'offrir des solutions durables, celui-ci ne s'est pas penché sur la question pressante des camps et les enjeux liés au retour ou à la relocalisation des déplacés, ainsi qu'au problème délicat des évictions. Plusieurs documents stratégiques ont été élaborés tels que le plan de « Retour dans les Quartiers et la Reconstruction des Logements » de la Commission Intérimaire pour la Reconstruction d'Haïti, la « Stratégie pour des Abris sécuritaires », et la « Stratégie de retour et relocalisation » des Nations Unies du mois de janvier 2011. Cependant, le gouvernement n'a pas encore communiqué ou approuvé de stratégie de retour et de relocalisation. Le manque de volonté politique et d'espace pour relocaliser les déplacés sont deux obstacles majeurs au retour, et peu de progrès a été fait pour trouver des solutions durables pour la majorité de ces gens.

Déjà avant le séisme, le nombre de logements à Port-au-Prince était insuffisant pour la demande de la population ; le problème s'est exacerbé avec la destruction de 250 000 logements depuis. Le Ministère des Travaux Publics, Transports et Communication a mené une étude pour évaluer les dommages à 379 170 bâtiments restés sur pied dans la capitale : 26 pour cent présente des dangers, et 20



pour cent est sévèrement endommagé et doit être démoli. Beaucoup de propriétaires ne savent pas dans quel état se trouve leur maison et il est difficile de trouver des acteurs qui puissent faire les réparations, démolir et enlever les décombres des propriétés.

Les menaces et les évictions risquent de s'intensifier dans les prochains mois, avec le retrait graduel de la communauté humanitaire, marquant la fin des interventions d'urgence et la transition vers la reconstruction et le développement. Après 14 mois de gestion de crise par les ONG intervenues principalement dans les camps de déplacés, l'accès aux services de base tels l'eau et l'assainissement en plus de l'argent épargné sur le loyer incitent toujours certains déplacés à rester dans les camps. Le départ des ONG sera un motif pour les propriétaires de réclamer leurs terres et de se libérer de toute responsabilité envers les déplacés.

Les menaces et les évictions risquent de s'intensifier dans les prochains mois.

Plusieurs acteurs humanitaires, dont Oxfam, sont contre les évictions forcées. Oxfam a participé à plus de 15 négociations entre propriétaires et déplacés dans les derniers mois. Ces efforts ont abouti dans les meilleurs cas à un délai des évictions. Un négociateur d'Oxfam explique : « C'est très frustrant parce que même si on négocie un délai,



Photo: Amélie Gauthier

Le site de relocalisation illégal de Canaan.

dans quelques semaines ou mois, il n'y aura toujours pas d'endroits ou de solutions durables pour eux ». L'approche des ONG basée sur les droits des déplacés à ne pas être évincés a pu créer des tensions avec les propriétaires, qui n'ont reçu que très peu de reconnaissance pour leur générosité et qui n'ont pas pu jouir de leur droit à la propriété privée. Le nouveau gouvernement, élu lors du deuxième tour des élections le 20 mars 2011, devra mettre en marche une stratégie de retour et de réinstallation qui prenne en compte la question des évictions forcées et assure la jouissance des droits autant des déplacés que des propriétaires.

La situation reste très difficile pour les victimes du tremblement de terre vivant dans les camps, peu de solutions durables leur ont été offertes en termes de services et moyens de subsistance, alors que les propriétaires réclament leurs terres et que les ONG se retirent en grands nombres.

Amélie Gauthier est Coordinatrice du Plaidoyer, Protection et Communication pour Intermón Oxfam en Haïti.



Haiti in the face of forced evictions

Amélie Gauthier

The eviction of displaced people from camps is now a pressing issue.

The number of displaced people in camps created in the aftermath of the earthquake that struck Haiti in January 2010 continues to decline according to figures presented last March by the International Organization for Migration (IOM). These numbers indicate that these camps would currently have 680,000 people instead of the 1.5 million that were crammed there at the height of the crisis. However, these figures mask a significant challenge: more than 233,000 people in 247 camps face the threat of forced eviction or have already been evicted by landowners.

More than 233,000 people in 247 camps face the threat of forced eviction.

As early as June 2010, the first cases of evictions occurred, taking the humanitarian community by surprise. It handled the situation as best as it could on a case-by-case basis, by requesting a moratorium on evictions from the Haitian government. Under Haitian law and international humanitarian law, landowners do not have the right to evict the displaced and victims of the earthquake. However, some landowners have taken steps toward doing so, some acting at night, and even going as far as using force to evict the occupants. The humanitarian community has been slow to react to

the evictions and, until recently, the response has lacked both coherence and clear leadership. Many Haitians have nowhere to go, moving either to other camps or to new sites, or joining families evicted from locations where they camped illegally. Further, according to the IOM, other families are returning to their houses, now inadequate and unsafe.

An Oxfam survey on families evicted from Port-au-Prince revealed that their situation has worsened since their expulsion. They have lost access to basic services, including treated water and sanitation, and are generally neither able to pay rent nor capable of supporting themselves. Although they received financial compensation from the landowner in order to leave the camp, the money is quickly spent on food for the family, on caring for the sick or on petty trading. Many of them find themselves in very precarious situations. In addition, the United Nations' Office for the Co-ordination of Humanitarian Affairs (OCHA) says that several evicted people settled in Canaan, an illegal relocation site outside Port-au-Prince, with no access to services and vulnerable to flooding, where NGOs, on orders of the government, are kept from providing any assistance.

Although the responsibility lies with the government to guarantee the rights of displaced people and provide viable solutions, it has yet to focus on the pressing issue of the camps and those related to the return or relocation of displaced persons and the delicate problem of evictions. Several strategic

documents, such as the *Neighbourhood Return and Housing Reconstruction Framework* of the Interim Commission for the Reconstruction of Haiti, the *Safe Shelter Strategy*, and the January 2011 *Return and Relocation Strategy* of the United Nations, have been developed to address the problem. However, the government has yet to submit or approve a return and relocation strategy. The lack of political will and space to relocate the displaced are two major obstacles to return, and little progress has been made to find sustainable solutions for the majority of these people.

The government has yet to submit or approve a return and relocation strategy.

Even before the earthquake, the number of dwellings in Port-au-Prince was insufficient to meet the needs of the population and, since then, the problem was exacerbated with the destruction of 250,000 homes. According to a study by the Ministry of Public Works, Transport and Communications assessing the damage on 379,170 buildings that are still standing in the capital, 26 per cent are hazardous and 20 per cent are severely damaged and must be demolished. Many property owners do not know what state their home is in and it is difficult to find tradesmen who can perform repairs,



demolish buildings and remove the debris from properties.

Threats and evictions are likely to intensify in the coming months, as the humanitarian community withdraws, marking the end of emergency assistance and the transition to reconstruction and development. After 14 months of crisis management mainly by NGOs in the camps, for many displaced people access to basic services, such as water and sanitation as well as money saved on rent, remains an incentive to stay in the camps. The departure of NGOs will be reason enough for owners to reclaim their lands and free themselves from any responsibility toward the displaced.

Several humanitarian agencies, including Oxfam, are against forced evictions. In recent months, Oxfam has participated in more than 15 negotiations between landowners and displaced persons. In the best cases, these efforts have only delayed evictions. An Oxfam negotiator explains: "It's very frustrating because even if you successfully negotiate an extension, in a few weeks or months, there will still be no places or lasting solutions for them." The NGO approach—based on respect for the rights of the displaced to not be evicted—has created tensions with the landowners who have received very little recognition for their generosity and have yet to enjoy their right to private property. The new government, elected in the second round of the presidential elections of March 20, 2011, will have to launch a return and resettlement strategy, one that will take into account the issue of forced evictions and the rights of both the displaced and landowners.

The situation remains very difficult for victims of the earthquake in the camps, as few viable solutions have been offered in terms of services and means of support, while property owners are claiming their lands and NGOs are leaving in large numbers.

Amélie Gauthier is Co-ordinator of Advocacy, Protection and Communication for Intermón Oxfam Haiti.

Bolivia: Las autonomías en declive

Diego Ayo

(English translation follows)

El reconocimiento legal de las autonomías se enfrenta a medidas centralizadoras.

Bolivia ha logrado promulgar una nueva Constitución elaborada en el marco de la Asamblea Constituyente de 2009, la primera en la historia del país. En ella quedan plasmados audaces cambios, entre los que destaca el reconocimiento a las autonomías: departamentales, regionales, municipales e indígenas. Este avance, sin embargo, se enfrenta hoy a una tendencia a la reconcentración del poder. Una tendencia autoritaria que, pese al reconocimiento legal de las autonomías, impide su despliegue en la práctica.

Los hechos antidemocráticos se imponen a la democratizadora letra constitucional. Una muestra de ello ha sido la disposición de marzo de 2011 del gobierno del Presidente Evo Morales referida a la necesidad de que los cambios en los presupuestos autonómicos estén sujetos a la aprobación de la Asamblea Legislativa Plurinacional. Nada hay más recentralizador que esta medida.

En el ámbito de las autonomías, y siguiendo lo dispuesto por la nueva Constitución de 2009, se han dado cinco grandes avances. En primer lugar, se quebró el monopolio legislativo y, a partir de ello, empezó el tránsito de un modelo de estado unitario a otro compuesto o descentralizado. Las autonomías depar-



tamentales fueron finalmente reconocidas.

En segundo lugar, la autonomía municipal fue reconocida a un nivel jerárquico similar al del resto de las autonomías. Se propició, por ende, un modelo tri-territorial de autonomías —similar al brasileño. Los municipios tienen hoy la facultad de legislar.

En tercer lugar, las autonomías indígenas se crearon para promover el enriquecimiento de la democracia boliviana, compuesta por democracia representativa, democracia directa y, en especial, democracia étnica o comunitaria.

En cuarto lugar, se generaron mecanismos de democracia asociativa o de poder compartido en las asambleas legislativas nacionales y departamentales, a partir del reconocimiento de curules indígenas permanentes, en los que la elección de representantes sigue los códigos propios de los pueblos indígenas existentes.

Y, finalmente, se inició la apertura, aun tenue, de las autonomías regionales (un espacio entre el departamento y el municipio), que podría dar lugar a un delineamiento territorial nacional diferente en el futuro inmediato.

El péndulo descentralizador

Este avance democratizador, sin embargo, se enfrenta a una realidad menos benévola, ya comentada. Es un nuevo embate contra la descentralización en lo que ha sido una dinámica de péndulo en el proceso: de fases de auge a fases de declive.

En la fase de declive de 2010 en adelante, se delega a un ac-

Cuadro 1

Fases de auge y declive de la descentralización en Bolivia, 1994-2011

Promulgación de la Ley de Participación Popular	Auge de 1994 a 1997
Cambio de gobierno y descuido de la participación popular	Declive de 1997 a 2001
Promulgación de la Ley del Diálogo, que otorga nuevas transferencias a los municipios en función a criterios de pobreza	Auge de 2001 a 2002
Recentralización de los recursos “más allá de la Iniciativa para la Reducción de la Deuda de Países Pobres Altamente Endeudados (PPAE)” con el nuevo gobierno de Gonzalo Sánchez de Lozada	Declive de 2002 a 2005
Establecimiento de la igualdad jerárquica del nivel municipal respecto de los otros niveles autonómicos	Auge de 2006 a 2009
Escasez de recursos fiscales y recentralización de competencias al nivel central	Declive de 2010 en adelante

Fuente: Elaboración del autor.

tor central, la Asamblea Legislativa Plurinacional, la facultad de decidir asuntos de índole regional, ajenos a sus propios desafíos y obligaciones. De este modo, la reconcentración del poder, y, con ello, la pérdida de relevancia de las autonomías, se hace patente. Las autonomías municipales denuncian un discurso carente de contenido, algo propio de una política mediático-propagandística.

En efecto, esta medida de recentralización es con seguridad sólo un engranaje menor de una gran maquinaria centralista colmada de otros movimientos fiscales que se irán (y se están) haciendo reales: retardos en la distribución a gobiernos autonómicos; boicot a la capacidad crediticia municipal (se sabe que un crédito del Banco Interamericano de Desarrollo destinado al Gobierno Municipal de La Paz fue denegado por el Ministerio de Finanzas); y disminución de los recursos y su consecuente recentralización (algo que también vimos ya con la Renta

Dignidad, que se dedujo de los fondos departamentales), entre otras.

Además, la dotación de servicios públicos no pretende ser compartida por el gobierno central. Éste sabe a ciencia cierta que la facultad autonómica de proveer servicios a la población (con cierta discreción) merma su propia presencia. Le resta votos. Por ello, hay que restarle poder y ese mismo dinero que lo distribuya mejor el presidente, o, en su defecto, el alcalde, pero ya amarrado de manos por la Asamblea, amarrada, a su vez, por el presidente. Es decir, el modelo autonómico se orienta a la consolidación de un modelo de monopolio patrimonial: el gobierno central como único dotador de servicios. Un solo beneficiado por la ciudadanía: el partido oficialista.

En última instancia, la burocracia se extenderá inexorablemente. Es difícil creer que, con el mismo personal, el Ministerio de Autonomía se va a encargar de velar por las modificaciones que se hagan. Ya vimos a



lo largo de década y media de participación popular que estas reparticiones nunca se dotaron para cubrir los requerimientos ediles mínimos, menos lo van a hacer ahora, a no ser que se incremente el cupo de funcionarios. Resultado: la burocracia se hace más extensa y posiblemente menos meritocrática.

Frente a la situación actual se debe plantear un pacto político-fiscal que defina de una vez las prioridades del gobierno central, el margen de maniobrabilidad fiscal que tendrán las autonomías, y, siguiendo el espíritu de la Constitución, consolide esta reforma tan peleada. Lo contrario será fomentar una revolución sin cambio. Lo mismo de siempre, aunque en versión extrema, se repetirá inexorablemente: más centralismo, con todas las taras patrimoniales que lo acompañan.

Diego Ayo tiene un doctorado en Ciencias Políticas del Instituto Ortega y Gasset. Actualmente es Profesor en la Universidad Mayor de San Andrés, La Paz. Escribe regularmente en su blog www.entrevistador.ya.st.

Bolivia: Autonomies in decline

Diego Ayo

Centralizing tendencies may thwart the realization of autonomy.

Bolivia has enacted a new Constitution that was drafted during its first Constitutional Assembly held in 2009. One of the outstanding bold changes outlined in the document is the recognition of departmental, regional, municipal and indigenous autonomies. Nevertheless, the progress in autonomy is now met with a tendency toward the concentration of power —an authoritarian tendency that prevents the practical implementation of autonomy despite its legal recognition.

Anti-democratic policies are impinging upon the democratizing objectives of Bolivia's Constitution.

Anti-democratic policies are impinging upon the democratizing objectives of Bolivia's Constitution. For example, legislation in March 2011 by the government of President Evo Morales indicated that changes in autonomous budgets would require the approval of the Plurinational Legislative Assembly. Nothing could be more re-centralizing than this measure.

Following the disposition of the 2009 Constitution regarding autonomies, five significant advances were made. First, the monopoly on legislat-

ing was broken, beginning the move from a single-state model to a composite or decentralized state model. Departmental autonomies were finally recognized.

Second, municipal autonomy was recognized at a hierarchical level analogous to that of other autonomies, resulting in a tri-territorial autonomy model similar to the one found in Brazil. As a result, municipalities now have the capacity to legislate.

Third, indigenous autonomies were created to further enrich Bolivian democracy, which consists of representative democracy, direct democracy, and in particular, ethnic or community democracy.

Fourth, mechanisms for consociational democracy or power sharing were developed in the national and departmental legislative assemblies. They are based on the recognition of permanent indigenous *curul* chairs, where representatives are elected according to the indigenous communities' own codes.

Finally, regional autonomies, albeit tenuous, were established between departmental and municipal autonomies. This could result in a new delineation of territories nationwide in the near future.

Pendulum swing toward centralization

Nevertheless, this democratizing progression faces the aforementioned opposing reality. The new push against



decentralization is part of what has been a continuous pendulum swing between periods toward and away from decentralization.

In the period away from decentralization from 2010 onward, the Plurinational Legislative Assembly was appointed the central player authorized to decide upon regional issues far beyond its own challenges and obligations. As a result, the concentration of power and consequent loss of the autonomies' relevance have become evident. The municipal autonomies have denounced the government's discourse as being devoid of content, likening it to media-propaganda policy.

There has been a
continuous pendulum
swing between
periods toward and
away from
decentralization.

In fact, this measure of re-centralization is likely only a minor gear in the major centralist machinery driving other fiscal moves that are becoming a reality: delays in distribution to autonomous governments; boycotts to credit capacities for municipalities (the credit of the Inter-American Development Bank destined for the municipal government of La Paz was denied by the Ministry of Finance); and decreases in resources resulting in re-centralization (as seen with Dignity Incomes derived from departmental funds), among others.

Further, the central government does not plan on sharing the allocation of public services. It knows very well that the autonomous ability to provide

Table 1

Periods toward and away from decentralization in Bolivia, 1994-2011

The Public Participation Law is enacted	Toward from 1994 to 1997
The government changes and public participation is neglected	Away from 1997 to 2001
The National Dialogue Act is enacted, authorizing new transfers to municipalities based on poverty criteria	Toward from 2001 to 2002
Under Gonzalo Sánchez de Lozada's new government, resources are re-centralized to move "beyond the Highly Indebted Poor Countries (HIPC) initiative"	Away from 2002 to 2005
The municipal level is established at the same hierarchical level as the other levels of autonomy	Toward from 2006 to 2009
Fiscal resources are scarce, and talent is brought back to the central level	Away from 2010 onward

Source: Prepared by the author.

services to the public subtly reduces the government's presence. Since all it has left are votes, power has to be taken away from the autonomies. The president could better distribute that same money or, failing to do so, the mayor could do it under the control of the Assembly, which is under the president's control. In other words, the autonomy model is directed toward consolidating a patrimonial monopoly with the central government as the only service provider. There is only one benefactor for the populace: the official governing party.

In the long run, bureaucracy will spread relentlessly. Indeed, it is difficult to believe that, with the same personnel, the Ministry of Autonomy will take charge of overseeing the changes made. We have already seen for more than 15 years of popular participation that the allotments never meet the minimum requirements. They are less likely to reach these criteria now, unless shares are increased for civil servants. The result: bureaucracy spreads, and meritocracy potentially declines.

Given the present situation, a political and fiscal agreement should be

discussed to define once and for all the priorities of the central government and the limits of fiscal manoeuvrability that the autonomies will have, and, in the spirit of the Constitution, to strengthen this hard-fought reform. To do otherwise would be to encourage revolution without change. An extreme version of the status quo will repeat itself relentlessly: more centralism along with all of its patrimonial defects.

Diego Ayo has a doctorate in Political Science from the Instituto Ortega y Gasset. He is currently Professor at the Universidad Mayor de San Andrés, La Paz and writes regularly in his blog www.entrevistador.ya.st.

Board of Directors

Chair Kathryn Hewlett-Jobes, Distinguished Senior Fellow of the Norman Paterson School of International Affairs at Carleton University and former High Commissioner to Jamaica, Bahamas and Belize

Vice Chair Alain Berranger, Executive-in-Residence, Schulich School of Business and Vice-Chair, Global Knowledge Partnership

Secretary Suzanne Laporte, Former Canadian Ambassador to Brazil

Treasurer Marcelo Grinfeld, Senior Business Advisor, Ontario Ministry of Economic Development and Trade

Executive Director Carlo Dade, FOCAL (*ex-officio*)

Directors of the Board

John W. Graham, Chair Emeritus, Former Canadian Ambassador and First Head of the Unit for the Promotion of Democracy at the Organization of American States

Ross Anderson, Director, Governmental Affairs, Scotiabank
Alexandra Bugailiskis, Assistant Deputy Minister Latin America and Caribbean, Foreign Affairs and International Trade (*ex-officio*)

Edgar Dosman, Senior Research Fellow, Center for International and Security Studies, York University

Paul Durand, Former OAS Resident Representative to the Dominican Republic

Peter Hakim, President Emeritus, Inter-American Dialogue

Jennifer L. McCoy, Associate Professor of Political Science (Georgia State) and Director of the Americas Program at The Carter Center

Elizabeth Spehar, Consultant, Washington, D.C.

Vinita Watson, Executive Director for Canada, Inter-American Development Bank (*ex-officio*)

FOCAL Staff

Carlo Dade, Executive Director

Madeleine Bélanger Dumontier, Communications Director/Editor

Lesley Burns, Project Manager, Governance and Civil Society

Fatima Gardaad, Development and Project Coordinator

Savera Hayat, Acting Program Director

Emily Jeffers, Communications Officer

Ruth Mestechkin, Project Coordinator and Assistant Editor

Naume Mutambo, Manager of Finance and Administration

Ronald Rojas, Project Manager, Education and Health

Tandy Shephard, Project Manager, Labour Mobility and Mapping Knowledge for Development in the Americas

Research Associates and Interns: Rafaela Antoniazzi, Valérie Bah, Zach Battat, Mark Burgess, Graeme Douglas, Joshua Giguere, Michael Hoelscher, Diego Silva

ANNOUNCEMENTS

FOCALPoint online: Connect with us!

We are launching a new web version of your Canadian source of analysis on the Americas.

It's now easier to share articles through your networks and comment on our stories.

New Canada-Mexico Initiative Policy Briefs

Lourdes Melgar

In search of relevance for Canadian-Mexican energy relations examines new and dynamic alternatives in the area of clean energy bilateral or, when appropriate, trilateral co-operation. It concludes that moving in this direction is a precondition to furthering the competitiveness of the countries of North America. The paper is available in English (<http://bit.ly/dHYexf>).

David Parks

Beyond trade: Sub-national diplomacy between Canada and Mexico focuses on the Canada-Mexico relationship, which is enhanced, and in some cases driven, by an emerging set of relationships between the provincial and state governments of the two federal countries. It argues that largely unmanaged at the federal level, the increasing provincial-state co-operation will be a key factor to developing a more profound and lasting bilateral partnership. The paper is available in English (<http://bit.ly/gEyRiQ>).

Mark B. Salter

Enhancing the movement of people between Canada and Mexico proposes the implementation of a trusted traveller program to facilitate the management of flows of people between the two countries instead of an administratively heavy visa requirement.

FOCAL to participate in Latin America and Caribbean Regional Assembly and Roundtable on Social Cohesion and Democracy

FOCAL is slated to co-fund and partake in the April 7-9 Latin America and Caribbean Regional Assembly and Roundtable on Social Cohesion and Democracy in Buenos Aires, Argentina. The event will host various panels addressing a multitude of topics such as the protection of civil society; education for democracy; and poverty, development, social inclusion and democracy. FOCAL Project Manager Lesley Burns will be providing opening remarks and rapporteuring a session on enabling and protecting civil society.

The Canadian Foundation for the Americas is an independent, non-partisan think-tank dedicated to strengthening Canadian relations with Latin America and the Caribbean through policy dialogue and analysis. FOCALPoint helps us accomplish our mission as a monthly publication combining news and analysis that reaches decision-makers, civil society, private sector, academics and students with an interest in the region. Our goal is to bring together diverse perspectives to make FOCALPoint a dynamic analytical forum.

With the exception of FOCAL Views, which is the official institutional stance of FOCAL, the opinions and analysis in FOCALPoint are those of the authors and do not reflect the institutional position of FOCAL, its staff or its board.

FOCALPoint is undertaken with the financial support of the Government of Canada provided through the Canadian International Development Agency (CIDA).

Canadian Foundation for the Americas | Fondation canadienne pour les Amériques | Fundación Canadiense para las Américas

FOCAL

1, Nicholas Street, Suite 720
Ottawa, ON, K1N 7B7, Canada
Tel: 613.562.0005
Fax: 613.562.2525
Email: focal@focal.ca
www.focal.ca