The Inter-American Dialogue’s twenty-third meeting of the Latin America Working Group took place on July 23-24 in Washington, D.C. Having begun as the Colombia Working Group in 2001, the group, now in its 11th year, has since expanded its reach to discuss issues across the Andes and Western Hemisphere. The meeting was supported by the Open Society Foundations and CAF.

The gathering opened with a discussion of the implications of the Mexican presidential elections in the realms of domestic and foreign policy. On President Juan Santos Santos’ two year mark, conversation then turned to the state of play in Colombia. The twelve months of President Ollanta Humala of Peru also was a prominent topic, and was followed by sessions devoted to Bolivia, Ecuador and Venezuela.

A special welcome dinner was held on the 23rd and lunch the next day allowed participants to exchange thoughts with Ricardo Zuniga, senior director for Western Hemisphere Affairs at the National Security Council. Overall, the meeting provided important insight into both regional and country-specific topics.

This report outlines the main topics discussed on a country-by-country basis before concluding with regional topics and considerations.

**Mexico: What lies ahead?**

Despite predictions of a double-digit margin of victory for Enrique Peña Nieto of the PRI, the president-elect emerged with only a 6% lead over leftist challenger Andrés Manuel López Obrador after votes were tallied in July 2012. What is more, the PRI did not win a congressional majority. Working group members agreed that, given the current political landscape, any progress would have to be through compromise.
As an opposition party over the last twelve years, the PRI largely frustrated President Felipe Calderón’s legislation. Nevertheless, participants were optimistic about Peña Nieto’s ambitious agenda – which includes reforming the national oil company PEMEX, a fiscal overhaul and tackling labor issues. They viewed the coming sexenio as one of opportunity rather than of retaliation, and pointed both to President Calderón’s promises that his party would become a constructive opposition as well as to the humbling defeat the PAN suffered. The opposition would be better served by cooperating with the administration, such reasoning went, rather than further weaken their already demoralized standing by obstructing needed change.

A chief obstacle, however, remains the security situation in Mexico. Participants posed three main dilemmas regarding Peña Nieto’s pledge to improve citizen security: the president-elect’s strategy will yield medium to long-term results (creating a national police force, for instance), it will be difficult to convince the United States and domestic critics that he will not negotiate with criminal groups, and there is a lack of cooperation between levels of government, and specifically the perverse incentive for local authorities to absolve themselves of responsibility when federal forces become involved.

Some participants questioned if Mexico’s decentralized response to crime is an effective one, citing Colombia’s national force as an alternative. There was some speculation about whether the appointment of Colombian police general Oscar Naranjo as a top security advisor might suggest a move towards the Colombia approach. Peña Nieto’s has also pledged to create a 40,000-strong gendarmerie force similar to Colombia’s to quell rural violence. Participants noted, however, that crime -- though often portrayed as the result of large organized drug traffickers-- is largely becoming fragmented and focused on the extraction of rents – by means of extortion or kidnapping – and does not necessarily require a federal response. One participant made the pertinent observation that the federal government has only a limited set of policy options, so a “flexible response” was needed to take into account the limited capacity of the national police.

Some indicators, however, suggest that the situation may be improving. Cícud Juárez, long the poster child of violent crime, has recently experienced a marked decline in the number of homicides. This may, however, have more to do with increased cooperation between criminal groups than effective policing.

The constitutional reform of 2008 that sought to modernize the country’s criminal justice system from an inquisitorial written system to an oral adversarial one is being adopted, albeit slowly. Some states, such as Nuevo León, have made progress in strengthening their police forces. Though overshadowed in the media by the Fast and Furious scandal, relations between the United States and Mexico were alleged to be very good, facilitating cooperation on shared security challenges.

In the realm of foreign policy, participants’ expectations favored minor modifications over drastic changes. Participants believed that the transition to the PRI would be of little consequence regarding relations with the United States, and the Trans-Pacific Partnership (TPP), involving various nations in the region and Asia, would only further strengthen the link between the two neighbors. At a regional level, this agreement, in conjunction with the Alliance of the
Pacific, signals a preference on the part of the Mexican government to reinforce its relationship with the members of the Pacific market over Brazil, considered a regional rival. Nonetheless, any significant changes to the country’s foreign policy seemed unlikely.

Participants agreed that the state of Mexican democracy had changed from the 70 years of uninterrupted PRI control. A healthy opposition stands out as a check on a party that historically bargained little with other actors. The #YoSoy132 student movement, which decried a perceived relationship between the mainstream media and the PRI, was not a particularly consequential development despite rocking social media circles.

Colombia: How is Santos doing at mid-term?

President Juan Manuel Santos assumed office in 2010 with an immense amount of political capital. This stemmed largely from the endorsement of his predecessor Álvaro Uribe, one of the most popular presidents in Latin America. Since his election, Santos has been buoyed by a sympathetic press and, until recently, broad popular support. Nonetheless, some participants characterized the government as directionless and unable to deliver on expectations.

A source of the government’s recent trouble was a debacle resulting from a constitutional reform ostensibly intended to modernize the country’s overburdened legal system. The legislation that resulted from the conciliation committee, however, would have stopped over a thousand pending cases in the attorney general’s office against high-profile government officials and protected congressmen with paramilitary ties. Furthermore, the attorney general, tasked with investigating and trying such cases since 1991, would be stripped of these powers.

Santos and his cabinet were slow to realize the damage. A creative judicial solution was ultimately hatched to file the bill, though the political damage was already done. The public, outraged at the perceived attempt for impunity, placed blame at the president’s feet not only for failing to adequately check congress’ transgressions, but for a solution to undo the damage which for many was an overreach of executive power.

The highly complex and technical episode is indicative of larger challenges Santos must overcome if he is to become reelected in two years. Perhaps most important is the strained communication with the Colombian public. Participants commented that many of the administration’s accomplishments remain unknown to the country at large. Similarly, the Santos government does not have a direction, strategy, or guiding ideology that is easily conveyed. The perception that he is simply dealing with problems as they arise hampers his image as a leader.

And problems are in no short order in Colombia these days. While nowhere near previous levels, the FARC and criminal groups continue to complicate life for the president. Despite commanding a congressional majority, relations with Congress are strained. Uribe has ceased to be supportive of the administration and now uses his signature issue, security, as a wedge to publicly cast doubt on the president’s capabilities. While the former president calls for a tougher response, working group members generally agreed that rural development is crucial to tackling
security issues. The difficulty, however, is that such measures require time for concrete results and are less easily explained to a skeptical and often impatient electorate.

Working group members concurred that while a Santos reelection was not guaranteed, it remained most likely. Continued support among members of Congress, however, hinged on their perception that the president would be reelected.

In the realm of foreign policy, the Summit of the Americas was seen as relatively unimportant to most Colombians. The severity of the country’s internal challenges, as well as a general disinterest in external affairs, led participants to question whether Colombia would become a regional or global actor in the near future.

**Peru: Where is Humala headed?**

At first glance, the most striking element when examining the situation in Peru is the radical shift of President Ollanta Humala since his emergence on the national stage six years ago. His current technocratic advisors, some noted, were likely supporters of his opponent in the 2011 election, Keiko Fujimori. Even more striking is the fact that when criticized by disillusioned leftists in Congress, those on the right now come to his defense. For someone who once praised Hugo Chávez, Humala has left observers scratching their heads with his economic orthodoxy.

The absence of coherent political parties helps explain why Humala has been able to make such an about-face. Furthermore, the political landscape of Peru was seen by participants as one of weak institutionalism; instead, “micro-caudillos” rule. The structure privileges personality over partisanship, and creates a disjuncture between the federal and subnational levels of government. The implications of this are not only politicians who can continually reinvent themselves for political expediency, but severe obstacles in channeling resources to address social problems.

This constituted one reason why the president has not done more in the realm of social policy despite his leftist roots and the ample revenue that comes from mining. Out of fairness, participants highlighted some of his more notable attempts to reduce poverty and inequality, including a law of prior consultation with communities before mining projects and a pension program for poor people over 65. Nevertheless, these advances don’t compare to the expectations of Humala’s base when he assumed office.

Discussions also touched on the president’s family. While his openly critical siblings and parents were not seen as especially relevant to the president’s governance, his wife’s role as his most trusted and powerful political advisor was different. Some commented on her substantial power and influence not only over the president but his cabinet. Debate centered on where Humala’s true sympathies lie. Is he actually a leftist hampered by the realities of politics? Some members believe that the absence of any appreciable progress in the social agenda suggested that Humala simply reasoned that in 2006 it was most convenient to come on the national scene through the left. When his first presidential run was frustrated by more moderate Alan García, however, the aspiring politician adjusted his strategy accordingly.
Yet while many in the media have described Humala as a pragmatist, participants noted that this term implied some sort of plan or vision. But Humala appears to be trying to keep his head above water rather than implementing a grand strategy. Indeed, there was a consensus that mining protests appear to be more than the president can handle at times, reflected by his recurring cabinet reshuffles and declining popularity. Furthermore, there are growing concerns that the expansion of coca production could imperil stability. Issues of security, along with those of social conflict, were said to be personally managed by the president, and it remains to be seen how his efforts work out over the remainder of his mandate.

While the trajectory and personal life of Humala was the subject of spirited discussion, some participants said that it is mistake to give too much importance to one individual. Every president since Fujimori has campaigned on a platform of change and has, instead, delivered continuity. The system, in short, operates independently of who occupies the presidency. An economy driven by mining compels a continual stream of foreign investment that is often concerned about leftist activity. Reassuring a skeptical business class becomes crucial for the steward of commodity exports.

Yet while the economy can operate on autopilot, the same is not true of politics. As a result, Humala finds himself in a delicate position. Given the limited capacity of government to deliver, even when funding is easy to come by, the leader often has little more than the bully pulpit to persuade his coalition that he intends to address Peru’s social ills. Should he become too forceful in his defense of the poor, however, he risks capital flight from investors wary of unrest. Perhaps even riskier for Humala, however, is what he is witnessing now: the ire of the disillusioned. So until the president finds a way to convince protesters they stand to gain by maintaining the system, his political future remains potentially shaky.

Ecuador, Bolivia & Venezuela: What are the prospects?

Of all the countries discussed at the meeting, Ecuador was both the most stable and in many ways the most troubling. After five years in office, Rafael Correa has cemented his control over the country’s political apparatus and curtailed the separation of powers and freedom of expression. While a law has been delayed in Congress which would redistribute communication frequencies to the detriment of private companies, the government has continually battled the media through other means. Of note was the handful of lawsuits against journalists for libel a few months ago that showcased the repressive atmosphere the president’s critics navigate. Fearing retribution from a hostile justice system, outlets have often resorted to self-censorship. Government officials are forbidden from giving interviews to private media, further limiting the media’s capacity to ensure accountability.

Some participants characterized this environment as a “propaganda state” given the limits on free speech and policies targeted towards shoring up popular support. The nation’s roads, for instance, are in much better shape than before, while overall the country has not improved much. In such a situation, it becomes difficult to accurately assess how the Ecuadorian people have responded to Correa. On the one hand, polls indicate the president enjoys high levels of popularity. This prompted some working group members to conclude that citizens value stability
and results even if they come at the expense of democracy. Those who disagreed with this view countered with the fact that every time voters have gone to the polls, Correa and his policies have received declining support.

While the opposition remains fragmented, some members raised the possibility of increased opposition in the assembly in the next election, where a majority could be achieved. Military spending continues at high levels in the country. If the administration deems the opposition a real challenge, some participants expected that the government would keep as an option the use of force or its threat. Such a development would be a game-changer. It remains to be seen to what extent the public would tolerate the government’s excesses.

In Bolivia, politics continue to be shaped by grassroots movements. Increasingly, however, movement leaders have concluded that closer ties to President Evo Morales curtail their influence and autonomy. Furthermore, since his assumption of office, the president has felt the effects of the strong mobilizing capacity of Bolivian civil society, to which he ironically owes his own political fortunes. The protests following cuts to gasoline subsidies in December 2010 left the president reeling, and subsequent demonstrations by the police and indigenous groups have kept the administration scrambling to appease its base and maintain order.

The working group discussed the two TIPNIS marches - named after a reserve through which a proposed highway would run - involving hundreds of indigenous activists who traveled to La Paz on foot to protest the project. As a result, the administration is currently engaged in non-binding consultations with affected groups. Should these meetings prove successful and the project goes forward, the administration would score a major victory by avoiding violence while securing a large-scale development project. Another recent event was the police mutiny, which ended shortly before the TIPNIS marches, effectively exploiting fears of clashes involving protestors to increase their bargaining power.

Participants familiar with Bolivia said that such events are not merely political theater, but contain a significant democratic value. Despite the executive’s influence over the courts, the ability for civil society to exercise considerable influence over decision-making remains significant. Morales political future may look dimmer, though he remains a formidable force. Until another leader is perceived as more capable of delivering on social inclusion, Morales can be expected to stay in office. One possible challenger is former mayor of La Paz Juan del Granado, who already commands considerable grassroots support.

Discussion of Venezuela was informed by the president’s health scares that led to the question, what would a post-Chávez Venezuela look like? For over a dozen years the president has bolstered his position as the center of not only the country’s political structure but as a significant regional leader. Though the timing is anyone’s guess, an exit will carry profound implications.

Working group experts on Venezuela asserted that Chávez is likely to win the next set of elections. Instead of casting doubt over his capacity to rule, his cancer has actually helped the candidate in the polls - a majority believes the president to be completely cured – where he currently commands double-digit leads. Henrique Capriles, meanwhile, has not been able to muster the expansion of support he needs. The government’s control of television, the principal
source of information for the popular sectors in which Capriles must make inroads, remains a major obstacle.

Participants concluded that Chávez will most likely retain the presidency past the October elections. Several potential scenarios thus emerge. In the case that his health prevents the president from completing at least four years in office, the constitution stipulates that elections be held within a month of his departure.

Several names were considered as possible replacements for the populist leader, including Foreign Minister Nicolás Maduro and National Assembly president Diosdado Cabello, with the former commanding stronger international ties. The latter, however, counts on stronger support from the military. Participants familiar with the situation contend that military leaders will likely prefer a candidate that ensures short-term stability rather than an ideological or charismatic approximation to Chávez.

Yet should elections take place without Chávez, it remains to be seen how Venezuelans will respond. To date, the president has not chosen a successor, so the electorate may turn to a figure they are already familiar with. This could provide Capriles an opportunity to redeem himself.

Participants also focused on the serious human rights situation in the country. Executive overreach continues to stifle judicial independence and free speech. Specifically mentioned were the case of Globovisión, fined US $2.2 million for its coverage of a prison riot, as well as that of Judge María Lourde Afiuni, who remains under house arrest after authorizing the conditional release of a banker accused of corruption. The man had spent three years in prison without trial, exceeding the two-year maximum that Venezuelan law dictates. Her case is pending as well.

Cross-Cutting Themes and Conclusions: A Step Back for Democracy?

During a lunch with Ricardo Zuniga, senior director for Western Hemisphere Affairs at the National Security Council, participants discussed the Obama administration’s position on variety of topics. Good relations with Mexico and Colombia were highlighted, as well as aspirations for a more productive relationship with Peru and Bolivia in light of increased coca production and mounting security concerns in the Andes. Not surprisingly, there was considerable interest in the US position regarding Cuba and the next Summit of the Americas. The exchange also centered on security concerns, the different manifestations of crime across countries and sub-regions, and the varied capacities of governments to respond effectively.

The quality of democracy and governance in the region also was a highlight of the discussions. Participants reviewed the recent attacks on the Inter-American Human Rights Commission and the special rapporteur of freedom of expression. There was also considerable focus on the erosion of checks and constraints on executive authority in a number of countries, and the increasingly critical role of civil society and the media in providing a measure of accountability. Finally, working group members had vigorous exchanges about the most relevant factors in interpreting Latin America’s political realities, with consideration of the role of parties, ideology, resource endowments, and the nature of political leadership.