

Dialogue Diálogo

THE NEWSLETTER OF THE INTER-AMERICAN DIALOGUE



Representative Eliot Engel (D-NY), OAS Secretary General José Miguel Insulza, Senator Norm Coleman (R-MN). (See *Congress*, page 4)



Foreign Minister Luis Ernesto Derbez of Mexico, Representative Bill Delahunt (O-MA), Foreign Minister Carolina Barco of Colombia. (See *Congress*, page 4)



Congresswoman Epsy Campbell Barr, president of the Citizen Action Party of Costa Rica; José "Netinho" de Paula Neto, CEO of TV da Gente, Brazil; Benedita da Silva, former minister of social development and governor of Rio de Janeiro. (See *Race*, page 12)

Sol M. Linowitz Forum

Divisions within the Western Hemisphere, the rise of populism in Latin America, and the challenges of fostering economic growth while combating poverty and inequality were the focus of discussion at the Inter-American Dialogue's sixth biennial Sol Linowitz Forum, which marked the fifteenth time that the Dialogue membership has met in plenary session.

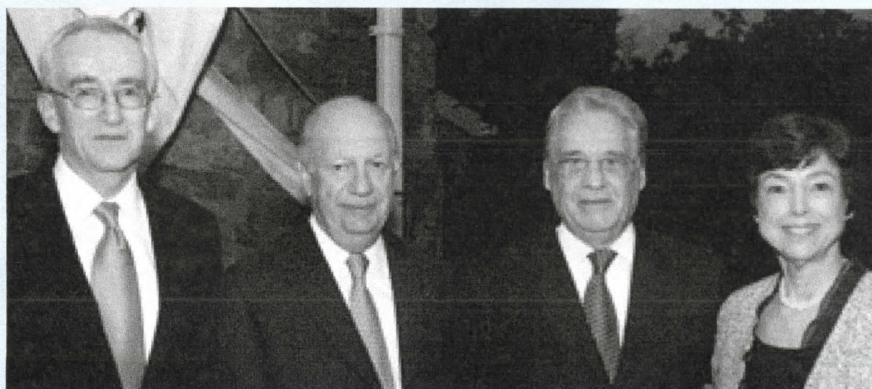
Members and guests of the Inter-American Dialogue gathered in Washington, D.C. over the weekend of May 12 to 14 to pay tribute to the Dialogue's founding chairman, Sol M. Linowitz, as well as to review the troubling circumstances of many Latin American countries and the increasingly fractious relations between the United States and many nations of the region.

Divisions in the Hemisphere

Most participants agreed that relations between the United States and Latin America today are at their lowest point since the end of the Cold War. Many blamed Washington's attitudes and policies, as well as the turn to populist and anti-American approaches in South America.

With numerous examples of growing fragmentation in Latin America, it was Hugo Chávez's Bolivarian vision of South American unity pitted against the "neoliberal" international economic order led by the United States that best exemplified this divisiveness. Venezuela's Chávez has found a ready constituency among long-excluded populations who suffer injustice.

(continued on page 8)



Peter Bell, former president of CARE; Ricardo Lagos, former president of Chile; Fernando Henrique Cardoso, former president of Brazil; and Carla Hills, former USTR.

The Dialogue Welcomes New Co-Chairs

The Sol Linowitz Forum opened on May 12 with a reception hosted by Ambassador Federico Humbert of Panama in honor of the Inter-American Dialogue's founding chairman, Sol M. Linowitz. The reception was also an opportunity to formally welcome former president Ricardo Lagos of Chile and Ambassador Carla A. Hills, former U.S. trade representative, as the Dialogue's new co-chairs, and to thank outgoing co-chairs, former president Fernando Henrique Cardoso of Brazil and Peter D. Bell, former president of CARE, for their years of service. ■



Carla A. Hills
Co-Chair
United States

Ricardo Lagos
Co-Chair
Chile

Peter D. Bell
Co-Vice Chair
United States

Fernando Henrique Cardoso
Brazil

José María Dagnino Pastore
Argentina

David de Ferranti
United States

Lourdes Flores Nano
Peru

William L. Friend
United States

Donna J. Hrinak
United States

Enrique Iglesias
Uruguay

Yolanda Kakabadse
Ecuador

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Canada

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United States

Peter McPherson
United States

Roberto H. Murray Meza
El Salvador

Sonia Picado
Costa Rica

Jacqueline Pitanguy
Brazil

Jorge Quiroga
Bolivia

Jesús Silva-Herzog
Mexico

Roberto Teixeira da Costa
Brazil

Elena Viyella de Paliza
Dominican Republic

Peter Hakim
President

Contributors: Erik Brand, Joan Caivano, Sophie Cardona, Devin Finn, Megan Fletcher, Alejandro Ganimian, Vinay Jawahar, Raquel Leonard, Abraham Lowenthal, Jason Manning, Adam Minson, Donald Nadalin, Tamara Ortega Goodspeed, Anthony Perry, Douglass Pulse, Jeffrey Puryear, Rebecca Rouse, Rebeca Sánchez de Tagle, Kristin Saucier, Jackie Shull-González, and Virginia Sopyla.

Photographs: Rick Reinhard, Jay Mallin, Alex Ibañez, Dialogue staff. Several photos provided by embassies.

Design and Production
OmniStudio, Inc.

Inter-American Relations

Task Force on the Organization of American States (OAS) Launches Report



OAS Secretary General José Miguel Insulza; former minister of government Fernando Cepeda of Colombia; former U.S. ambassador to the OAS Harriet Babbitt.

More than ever before the nations of the Western Hemisphere need an active and effective regional organization to address a range of problems in the Americas, including those affecting domestic governance and security as well as those with international dimensions. This was the central conclusion of a Dialogue task force report—*Responding to the Hemisphere's Political Challenges*—released on May 17.

OAS Secretary General José Miguel Insulza commented at a Dialogue roundtable discussion, where task force chair Fernando Cepeda, former minister of government of Colombia, and Hattie Babbitt, former U.S. ambassador to the OAS, presented the report.

The task force report argues that the OAS could and should be playing a far more influential role in hemispheric affairs—but, in order to do so, it will need greater unity and cooperation among its member states. It also needs a larger budget and more reliable financial support.

The task force also concludes that the OAS secretary general can take initiative on his own, and should do so when governments cannot reach collective decisions. Indeed, the success of the OAS critically depends on the consistent, vigor-

ous, and sometimes risk-taking leadership of the secretary general. However, the OAS cannot be an effective regional organization if its member states are unwilling to set aside their differences and use the organization to advance their common interests and values.

Members of the Task Force

- Fernando Cepeda (Chair)
- George Alleyne
- Harriet C. Babbitt
- Eduardo del Buey
- Jorge I. Domínguez
- Richard Fletcher
- Diego García-Sayán
- Rosario Green
- Peter Hakim (Director)
- Donna J. Hrinak
- Michael Kergin
- Marifeli Pérez-Stable
- Peter Quilter
- Michael Shifter
- Viron Peter Vaky
- Fred Woerner

Other Initiatives

Congressman Jim Kolbe (R-AZ) spoke at a May 26 meeting at the Inter-American Dialogue on the U.S. policy agenda in Latin America. The Congressman, who is a member of the Dialogue's Congressional Members Working Group, focused his comments on trade, energy and migration.



Peter Hakim, Representative Jim Kolbe (R-AZ).

At an October 18th roundtable discussion and dinner co-sponsored by the World Affairs Council and the Dialogue, the ambassadors of Brazil, Mexico, and Venezuela explored recent political and social developments in the Americas. The event was held at the Ronald Reagan Building and International Trade



Ambassador Roberto Abdenur of Brazil.



Ambassador Carlos de Icaza of Mexico.



Ambassador Bernardo Alvarez of Venezuela.

Center.

The Dialogue co-sponsored with FLACSO-Chile an October 27th workshop on U.S.-Latin American Relations: **Challenges for a Security Agenda**. Participants included OAS Secretary General **José Miguel Insulza** and U.S. Deputy Assistant Secretary of State Charles Shapiro.

On January 12, the Dialogue invited a small group of analysts to discuss the expanding ties between **China and Latin America and the Caribbean**, and how China's presence in the hemisphere is likely to affect U.S. objectives of promoting democracy, stability, and economic prosperity in the region.

The Dialogue, in cooperation with Florida International University's Cuban Research Institute, hosted an April 12 discussion on the emerging relationship between **China and Cuba**.

On April 20, the Dialogue hosted a discussion on the **European Union and regional integration** in the Americas.

The Dialogue hosted an informal discussion with the press on November 10 about the **Summit of the Americas and upcoming elections**, and again on March 2, the Dialogue hosted a press roundtable on Western Hemisphere relations and U.S. foreign policy in Latin America. ■

Published:

Responding to the Hemisphere's Political Challenges, Report of the Inter-American Dialogue Task Force on the Organization of American States, June 2006.

"**China's Relations** with Latin America: Shared Gains, Asymmetric Hopes," by Jorge I. Domínguez, et al, **Inter-American Dialogue Working Paper**, June 2006.

Peter Hakim, "Is Washington Losing Latin America?" *Foreign Affairs* (January) and in *Foreign Affairs en Español* (January); "Pais Sabe Como Escolher Mal um Presidente," *O Estado de Sao Paulo* (April 14); "El perfil insatisfecho de Perú," *La Tercera* (April 13); and "EE.UU. y América Latina se divorciaron," *El Mercurio* (January 7).

Vinay Jawahar, "Latin America: Looking Left?" *The Internationalist* (February), and with **Michael Shifter**, "The Divided States of the Americas," *Current History* (February).

Marifeli Pérez-Stable, published these articles in *The Miami Herald*: "Cuba Policy: U.S.-Europe meeting of minds hard to achieve," (November 24); "Will change happen on a populist or modern platform?" (May 11); and with **Jaclyn Shull-González**, "Hemisphere needs a relevant OAS," (May 25).

Michael Shifter, "In Search of Hugo Chávez," *Foreign Affairs* (May/June); "La maldición de los segundos periodos," *ideele* (Peru, December); "Don't Buy Those Latin American Labels," *Los Angeles Times* (December 24); "Latinoamérica: más que un giro a la izquierda," *La Opinión* (Los Angeles, January 1) and in *Perú21* (January 4).

Congressional Members Working Group

In spring 2006, the Dialogue's Congressional Members Working Group hosted three off-the-record discussions on Capitol Hill. The dinners were hosted by Senators Norm Coleman (R-MN) and Christopher Dodd (D-CT) and Representatives Jim Kolbe (R-AZ), Jim Leach (R-IA), Xavier Becerra (D-CA) and William Delahunt (D-MA). Other members attending were Reps. Eliot Engel (D-NY), Eni Faleomavaega (D-AS), Sam Farr (D-CA), Sheila Jackson Lee (D-TX), Nita Lowey (D-NY), James Moran (D-VA), Charles Rangel (D-NY), and Jerry Weller (R-IL).

- ▶ On March 1, OAS Secretary General **José Miguel Insulza** led a discussion on the quality of democratic gover-

nance in the hemisphere, with a focus on OAS activities in five countries—Bolivia, Nicaragua, Ecuador, Haiti, and Colombia. Two assistant secretaries of state, Thomas Shannon and Anne Patterson, also participated, along with U.S. ambassador to the OAS, John Maisto and other senior officials from the OAS.

- ▶ Six Latin American foreign ministers—Carolina Barco of Colombia, Luis Ernesto Derbez of Mexico, Jorge Briz of Guatemala, Norman Caldera of Nicaragua, Francisco Laínez of El Salvador, and Samuel Lewis Navarro of Panama (who is also vice president of Panama)—met with members of Congress on May 2 to discuss how

their governments might collaborate with the United States to help facilitate **immigration reform legislation**. The ministers were part of a delegation of nine foreign ministers in Washington for a policy dialogue on immigration reform co-sponsored by the Dialogue with *Foreign Affairs En Español* and the Migration Policy Institute.

- ▶ The March 31 dinner discussion focused on recent **developments in Bolivia and challenges for U.S. policy**. Eduardo Gamarra of Florida International University, Jorge Crespo Velasco of the Inter-American Development Bank, Victor Rico of the OAS, and Janice O'Connell of the Senate Committee on Foreign Relations also participated. ■



Representative Xavier Becerra (D-CA), Ambassador Tomás Dueñas of Costa Rica, Foreign Minister Jorge Briz of Guatemala, Ambassador Guillermo Castillo of Guatemala, Foreign Minister Francisco Esteban Laínez of El Salvador.



Representative Jerry Weller (R-IL).



Elizabeth Spehar, OAS director for the promotion of democracy, Representative Jim Moran (D-VA).



Assistant Secretary of State Thomas Shannon, Representative Nita Lowey (D-NY).

Andean Region

Andean Working Group



Allan Wagner, secretary general of the Andean Community of Nations.

The Dialogue's Andean Working Group held their tenth meeting on April 24 and 25 in Washington, DC, and prior to that, they met in Lima, Peru, in mid-November. The Lima discussions focused on U.S. policy toward the region and presidential elections scheduled to take place in each of the Andean countries from December 2005 through 2006. Special guests Secretary General Allan Wagner of the

Andean Community of Nations and Prime Minister Pedro Pablo Kuczynski of Peru addressed the group. Daniel Fisk, special assistant to the president and senior director for Western Hemisphere affairs at the National Security Council joined the discussions in Washington. Participants in the group represent a range of perspectives from the Andean region, Europe, the United States and Latin America.

While in Lima, members of the Andean Working Group participated in two public meetings co-hosted by the Dialogue, one with the *Instituto de Defensa Legal* on trends and challenges in Latin America, and the other with the Andean Community of Nations (CAN) on relations between the United States and the countries of the Andean Community. Panelists included Allan Wagner, secretary general of CAN; Senators Rafael Pardo and Antonio Navarro from Colombia; Teodoro Petkoff, editor of *Tal Cual* from Venezuela; Genaro Arriagada, director of *Diario Siete* from Chile; Ana María Sanjuan of Universidad Central de Venezuela; Gino Costa, former interior minister of Peru; Adrián Bonilla, director of FLACSO-Ecuador; Roberto Laserna of Universidad Mayor de San Simón, Cochabamba; and Curt Struble, U.S. ambassador to Peru.



Peter Hakim, Prime Minister Pedro-Pablo Kuczynski of Peru.

Peru

Pedro-Pablo Kuczynski, prime minister of Peru, spoke at the Inter-American Dialogue on April 19 about recent political and economic developments in his country.

Trade minister Jorge Illingworth of Ecuador addressed a Dialogue breakfast forum on the U.S.-Andean Free Trade Agreement on October 20.

Lourdes Flores Nano, a top contender for the 2006 presidential election and a member of the Dialogue's Board of Directors, discussed her platform at a Dialogue roundtable on December 13.



Lourdes Flores Nano, presidential candidate of Peru.

On April 12, **Álvaro Vargas Llosa** of the Institute for Global Prosperity spoke at the Dialogue about the second round of Peru's

recent presidential elections, which he said is likely to be a race between APRA candidate Alan García and nationalist Ollanta Humala.

Carlos Ivan Degregori, visiting professor at Princeton University and researcher at the Lima-based Institute of Peruvian Studies, and **Carlos Basombrío**, columnist for *Perú21* and former vice minister of the interior, spoke at the Dialogue in October about Peru's presidential elections.

Javier Igúñiz of the Consortium of Economic and Social Research of Peru led a Dialogue discussion on the **impact of inequality on democratic governability** on October 20.

Bolivia

Eduardo Gamarra of Florida International University spoke at the Dialogue on February 23 about Evo Morales, who was elected Bolivia's first indigenous president in December 2005.

Colombia

Rafael Pardo, senator and former defense minister; **Rodrigo Pardo**, former foreign minister and current editor of the country's main newsweekly, *Semana*; **Marta Lucía Ramírez**, senator-elect and former defense minister; and, **Fernando Cepeda**, former government minister now at Universidad de los Andes, spoke at an April 26th Dialogue discussion on the current secu-

rity situation in Colombia, government efforts to demobilize paramilitary forces, U.S.-funded anti-narcotics policies, and prospects for the upcoming May 28 presidential election.

On February 28, the Dialogue held a discussion featuring Luis Évelis Andrade, president of the National Indigenous Organization of Colombia, with representatives of the Colombian indigenous population, on **prospects for peace** in Colombia.

Ecuador

Foreign Minister Francisco Carrion spoke about U.S.-Ecuador free trade talks on March 23rd, soon after major protests against the proposed free trade agreement flared in mid-March.

Trade and Economics

TRADE POLICY GROUP



Everett Eissenstat, assistant USTR for the Americas.

On April 13, the Dialogue's Trade Policy Group met to consider prospects for U.S. congressional approval of free trade agreements with Peru and Colombia; the status of U.S.-Ecuador negotiations on an FTA; the possibility of compromise between the United States and Brazil on difficult issues; and the chances of opening talks with Bolivia or Uruguay in the coming months.

Newly appointed Assistant

USTR Everett Eissenstat provided commentary, as did his predecessor, Regina Vargo, and key congressional staff members, including Angela Ellard of the House Ways and Means Trade Subcommittee.

REMITTANCES

The report, "Transnational Engagement, Remittances and their Relationship to Development in Latin America and the Caribbean," jointly published by the Dialogue and the Institute for

Please see pages 12 and 14 for other Dialogue events related to the Andean Region that focused on education and the exclusion of Afro-descendant populations. ■

Published:

Carlos Basombrío Iglesias, "The Military and Politics in the Andean Region," **Inter-American Dialogue Working Paper** (April 2006).

Michael Shifter, "A Conversation with Alan Garcia," *The Washington Post* (June 4); "In Search of Hugo Chávez," *Foreign Affairs* (May/June); "Venezuela colaboración la actual fragmentación de América Latina," interview with Michael Shifter, published in *El Comercio* (Peru), June 1; a review of *Andes in Focus: Security, Democracy and Economic Reform in Latin American Politics & Society*, Vol. 48, #1 (2006).

Michael Shifter and Vinay Jawahar, "Some see 'outsider' as only hope," *The Miami Herald* (April 9).

the Study of International Migration at Georgetown University, was released on December 5 at a Dialogue breakfast session.

On May 12, the Inter-American Development Bank released a study by Manuel Orozco, "International Flows of Remittances: Cost, competition and financial access in Latin America and the Caribbean—toward an industry scorecard," which includes information on pricing, customer satisfaction, financial sector intermediation, and U.S. locations for over fifty money transfer companies operating in fourteen countries. ■

Published:

"Transnational Engagement, Remittances, and their Relationship to Development in Latin America and the Caribbean," by Manuel Orozco, **Inter-American Dialogue** and the Institute for the Study of International Migration, December 2005.

"Diasporas, Development and Transnational Integration: Ghanaians in the U.S., U.K. and Germany," Institute for the Study of International Migration and the **Inter-American Dialogue** (October 23, 2005).

Manuel Orozco, "Migraciones y remesas en America Latina y el Caribe: Los flujos intrarregionales y las determinantes macroeconomicas," *Sistema Economico Latino-Americano y del Caribe*, Caracas, Venezuela (May 2006); "International Flows of Remittances: Cost, competition and financial access in Latin America and the Caribbean—toward an industry scorecard," Inter-American Development Bank (May 2006); "Sending Money Home: Can Remittances Reduce Poverty?" *id21 insights* (January 2006); *Remittances: Global Opportunities for International Person-to-Person Money Transfers*, Lafferty Group, London (November 28, 2005); with Eve Hamilton, "Remittances and MFI intermediation: issues and lessons," *Remittances, Microfinance and Development: Building the Links, Volume 1: a Global View*, edited by Judith Shaw, Foundation for Development Cooperation, Brisbane, Australia (2005).

Mexico

The following experts spoke at the Dialogue as part of our series on the 2006 Mexican presidential elections and their significance for that nation's domestic politics, its economic and social policies, and its relations with the United States. The series is jointly sponsored by the Dialogue with the Mexican Council on Foreign Relations and the Center for Studies on Globalization and Development at the Tec de Monterrey of Mexico.

- ▶ **Beatriz Paredes**, president of the Colosio Foundation and PRI candidate for mayor of Mexico City, spoke on October 21.
- ▶ **Nora Lustig**, then director of Tec de Monterrey's Center for Studies on Globalization and Development and a member of the Dialogue, spoke on the candidates' views on poverty and inequality on November 14.
- ▶ **Luis Rubio**, director of the Center of Research for Development and former advisor to the secretary of the treasury of Mexico, spoke on November 9 about politics and economic reforms. Rubio returned to the Dialogue on May 3 for an update on Mexico's presidential elections.
- ▶ Mexican Senator **Demetrio Sodi** spoke on October 26. ■



Beatriz Paredes, president of the Colosio Foundation and PRI candidate for mayor of Mexico City.



Nora Lustig, now director of the UNDP Poverty Group.

Published:

Daniel Erikson, "Mexico's Uneasy Choice: The 2006 Presidential Election," *World Policy Journal*, Winter 2005-2006.

Marifeli Pérez-Stable, "Three-way Race: Contest for Mexico's presidency," *The Miami Herald* (February 2).

Southern Cone

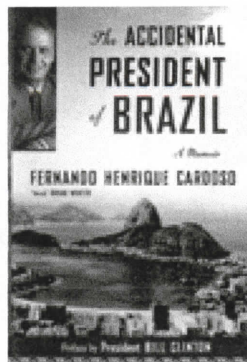
Argentina

On February 22, the Dialogue hosted an off-the-record conversation on Argentina's economic prospects without the International Monetary Fund, led via conference call by **Martin Redrado**, Central Bank governor of Argentina. Dialogue senior fellow Claudio Loser, former head of the IMF's Western Hemisphere Department, offered commentary.

Brazil

On the occasion of his recently released memoir, *The Accidental President of Brazil*, former president **Fernando Henrique Cardoso** (and co-chair of the Dialogue) spoke on March 30 about his two terms as president and Brazil's financial and political situation.

Please see the Race Program report on page 12 and 13 for other Dialogue events related to Brazil that focused on Afro-descendant populations.



Chile

On December 15, the Dialogue hosted Mark Falcoff of the American Enterprise Institute and Felipe Agüero from the University of Miami and the Woodrow Wilson Center to lead a discussion on the results of Chile's presidential election, which took place the previous Sunday. ■



President Michelle Bachelet of Chile.

Published:

Marifeli Pérez-Stable, "Michelle Bachelet: Chile's new president has the common touch," *The Miami Herald* (January 19).

Fragmentation is also evident among the hemisphere's various integration initiatives. The Andean Community, MERCOSUR, the South American Community, and the concept of a North American community, have all faltered, exposing a lack of institutional strength, cooperation, and progress. And the proposed FTAA has receded into a barely visible distance.

Participants conceded, however, that in some respects there is actually more cooperation than there used to be. Longstanding bilateral rivalries have been overcome, intra-regional trade is expanding, mutual investment is up, intra-regional migration has increased, and there are more regional infrastructure projects and cross-border professional networks than ever before.

Likewise, the dynamics of migration and commerce have been producing, at the level of people and firms, an ever-closer functional integration between the United States and its neighbors in Mexico, Central America and the Caribbean.

This vast disconnect between accelerating functional integration, and the failure of formal institutions designed to foster regional cooperation, indicates that we need new paradigms and institutional approaches to reflect and respond effectively to today's realities.

Economic Growth and Equity

High inequality in Latin America is persistent and pervasive and shows few signs of improving under current economic conditions, participants agreed. Furthermore, inequality and poverty are exacerbated by ethnic, gender, and geographic disparities. Unfortunately, recent pro-growth strategies and increased economic integration with the United States have done little to reverse these trends.

The group concluded that existing economic and social policies in the region are not pro-poor, and, with the exceptions of Chile and Brazil, poverty and inequality are not declining.

The discussion was informed by the updated *Washington Contentious* report produced by the Dialogue in collaboration with the Center for Global Development. The report offers a series of policy guidelines for advancing the social agenda within a coherent policy framework for economic stability and growth.

Participants generally agreed with *Contentious'* policy guidelines, but were unsure how to implement them, given the current political climate. Many noted that the necessary political



Earl Jarrett, general manager of Jamaica National Building Society, Nancy Truitt of Tinker Foundation.



Akira Kudo, CEO of Mitsubishi International Corporation in Brazil; Senator Marta Lucía Ramírez, former defense and foreign trade minister of Colombia.



OAS Ambassador Paul Durand of Canada, Ambassador Gordon Shirley of Jamaica.



Former acting OAS secretary general Luigi Einaudi, Cardinal Theodore McCarrick, then archbishop of Washington, DC.



OAS Ambassador Esteban Tomic of Chile; Ombudswoman Beatriz Merino of Peru; Yolanda Kakabadse, president of Latin American Future in Quito, Ecuador.



José María Dagnino Pastore, former finance minister of Argentina; Congresswoman Epsy Campbell, head of the Citizen Action Party of Costa Rica.



Former president Ricardo Lagos of Chile; UN Ambassador Heraldo Muñoz of Chile; former president Jorge Quiroga of Bolivia.



Roberto Murray-Meza, chairman and CEO of AGRISAL; former Central Bank governor Roberto Baquerizo of Ecuador, now managing director of ProVentures.



Robert Hart, president and CEO of Golbeleg, Ltd.; John McCarter, former president and CEO of GE Latin America.



Eugene Robinson,
The Washington Post.



Barbara McDougall, former secretary of state of Canada.



Joyce Chang, global head of emerging markets at JP Morgan Chase & Co.



Former finance minister, vice president, and trade minister, Juan Manuel Santos of Colombia.

will and capacity do not exist in Latin America, where social and economic policies are often captured by special interests.

Some suggested national-level dialogues among policy makers, business leaders, and others to determine each country's priorities and plan of action. It was also suggested that the Dialogue create an index or report cards that rate each country's performance and progress on the 12 policy tools outlined in *Contentious*. Aiming publications such as *Contentious* at a business audience, holding more meetings specifically for the private

sector, and fostering more in-country and cross-national public-private partnerships were well-received recommendations.

Populism and Democracy

Perhaps more than at any time since democratic governments were restored across Latin America, deep concerns have emerged about the quality and sustainability of democracy in many countries of the region.

(continued on page 10)

Participants agreed with former president Ricardo Lagos of Chile, who said that populism is a response to democracies that do not deliver material benefits equitably. Lagos insisted that democratic governments must do more than implement properly targeted anti-poverty measures. Responsible leaders must effectively communicate to citizens their rights to certain benefits, and explain that improvements in living standards may take a generation.

Populism is also more likely to emerge where there is a breakdown in the political party system, or a loss of confidence in political parties due to corruption or a failure to deliver growth with equity, participants said.

The group identified several factors to explain the success of democracies that avoided a populist stage. These include: a tradition of political inclusion and respect for opposition parties; policy continuity through transitions of power; learning from international best practices for promoting growth with equity; vigilance in addressing crime and violence; recognizing citizens as active participants in the political process, and not passive subjects.

Next Steps

As we do following each Linowitz Forum, the Dialogue will issue a policy report to review the main challenges in hemispheric relations, discuss alternative courses of action, and offer recommendations for policy based on the consensus of our members. ■

We are grateful to the corporations who supported the 2006 Sol M. Linowitz Forum:

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Corporate Outreach



Rui da Costa, general manager for Latin America at Hewlett Packard.

New companies joined the Inter-American Dialogue's Corporate Circle in recent months. Hewlett Packard enrolled for the first time, and HP's general manager for Latin America, Rui da Costa, joined the board of advisors for the Dialogue's daily Latin America Advisor newsletter. Jose Otero, the president of Signals Consulting, joined the Dialogue's weekly Telecom Advisor newsletter board.

The Dialogue launched the Latin America Energy Advisor newsletter last fall, which brings together regional leaders from

business and government for substantive exchanges on energy policy issues each week. The Energy Advisor's inaugural board includes Jeffrey Davidow, former U.S. ambassador to Mexico; Luis Giusti, former CEO of PDVSA; David Goldwyn, president of Goldwyn International Strategies; William Irwin, manager of international government affairs at Chevron; Jim Jones, co-chair of Manatt Jones Global Strategies; Doris Rodriguez, partner at Andrews Kurth LLP; Everett Santos, CEO of Emerging Markets Partnership; R. Kirk Sherr, principal at Scowcroft Group; Roger Stark, partner at Kirkpatrick & Lockhard Nicholson Graham; Roger Tissot, director at PFC Energy; and Max Yzaguirre, president of Hunt-Mexico, Inc. ■

Caribbean

Haiti

Charles Baker, a **candidate for president of Haiti**, spoke at the Dialogue on November 18.

On December 2, the Dialogue hosted a discussion on the upcoming presidential elections with Lionel Delatour of the Haitian Center for Free Enterprise and Development; Dina Paul Parks, former consultant to the Haitian interim government; Robert Fatton of the University of Virginia; and Michael Deibert, author of *Notes from the Last Testament: The Struggle for Haiti*.

On April 28, The Dialogue hosted a discussion on the challenges facing Haiti's president-elect, René Prével, featuring Luigi Einaudi, former acting secretary general of the OAS; Robert Maguire of Trinity University; and Jocelyn McCalla of the National Coalition for Haitian Rights.

Cuba

On April 12, in cooperation with Florida International University's Cuban Research Institute, the Dialogue hosted a discussion on the emerging **relationship between China and Cuba** featuring William Ratliff of the Hoover Institution at Stanford University; Frank Mora of the National Defense University; and R. Evan Ellis from Booz, Allen & Hamilton.

The Dialogue convened a panel of experts on November 29 to discuss recent developments around the recommendations of the Commission for Assistance to a Free Cuba, chaired by then-Secretary of State Colin Powell, and released 18 months earlier. The discussion was led by Phil Peters of the Lexington Institute and Paolo Spadoni of the University of Florida.

On February 17, the Dialogue and Florida International University held a forum on

Cuban baseball and the current state of **sports diplomacy between the United States and Cuba** led by: Kevin Baxter of *The Miami Herald*; Stephen Johnson of the Heritage Foundation; and Tim Wendel, author of *The New Face of Baseball: The 100-Year Rise and Triumph of Latinos in America's Favorite Sport*. ■

Published:

"Cuba, Venezuela, and the Americas: A Changing Landscape," **Inter-American Dialogue Cuba Working Paper**, December, 2005.

Daniel Erikson, "Cuba, China, Venezuela: New Developments," *Cuba in Transition: Volume 15*, Association for the Study of the Cuban Economy, 2005; "Cuba's Economic Future: The Search for Models," FOCAL Background Briefing on Cuba, December 2005; "The Caribbean: Democracy Adrift?" with **Adam Minson**, *Journal of Democracy*, October 2005.

Marifeli Pérez-Stable, "Cuba: Book offers look at Raúl-Fidel alliance," (October 27) and "Cuba Policy: U.S.-Europe meeting of minds hard to achieve," (November 24), *The Miami Herald*.

Central America

El Salvador

Ambassador René León led a discussion on March 30 at the Dialogue on economic developments in El Salvador with Margarita Escobar, **vice minister of foreign relations** for Salvadorans abroad, and Roberto Simán, of the office of the president of El Salvador.

Guatemala

Marta Altolaguirre, Guatemala's **vice-minister of foreign affairs**, spoke at a Dialogue meeting on human rights on November 9.



Margarita Escobar, vice minister of foreign relations for Salvadorans abroad.

Published:

Manuel Orozco, "Of Ideological Convergence and Power in Nicaragua," FOCAL Point Spotlight on the Americas (November/December 2005).

Marifeli Pérez-Stable, "Nicaragua: Under Bolaños, democracy has prevailed," (December 8), "Nicaragua: Guard against foul play in presidential elections," (March 16), and "Gangs undermine security, democracy," (March 30), *The Miami Herald*; and "Por el sendero de Doña Violeta," in *El Nuevo Herald* (February 25).

Nicaragua

Eduardo Montealegre, **presidential candidate** for the Nicaraguan Liberal Alliance in the November 2006 elections, addressed a December 12 discussion co-hosted by the Dialogue with the Friedrich Naumann Foundation.

Antonio Lacayo, who served as chief of staff for former president Violeta Chamorro, spoke at the Dialogue on February 15 about his new book, *La Difícil Transición Nicaraguense: En el Gobierno con doña Violeta*.

Please see the social policy section (on pages 14 and 15) for other Dialogue events related to Central America that focused on education reform. ■

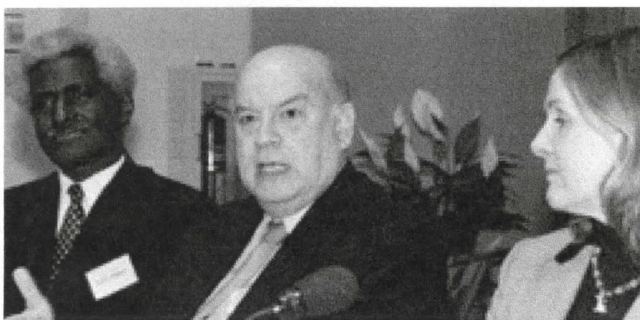
Race Program

On February 28, the Inter-Agency Consultation on Race in Latin America (IAC)* along with the World Bank, Inter-American Development Bank, Inter-American Foundation (IAF), Canadian Foundation for the Americas, and the Organization of American States sponsored a landmark exchange among 75 political, business, academic and NGO leaders on the social and economic gaps between Latin America's white and black populations; the limited representation of Afro-Latin Americans in positions of political power and economic leadership; and the unequal treatment of black Latin Americans by the police and courts. Opening remarks at the conference were given by OAS Secretary General José Miguel Insulza, World Bank Vice President Pamela Cox, IAF President Larry Palmer, and Peter Hakim.



Roland Roebuck, Washington, DC Office of Latino Affairs; Representative Eddie Bernice Johnson (D-TX); Graciela Dixon, president of the Supreme Court of Panama.

U.S. Rep. Gregory Meeks (D-NY) addressed a press briefing at the Inter-American Dialogue the following morning, with other prominent conference participants.

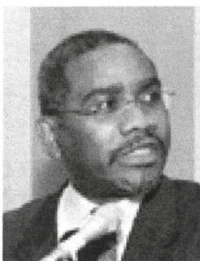


Larry Palmer, president of the Inter-American Foundation; José Miguel Insulza, secretary general of the OAS; Pamela Cox, vice president of Latin America and the Caribbean at the World Bank.

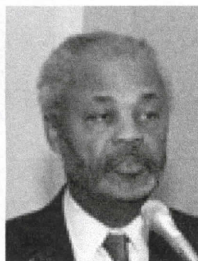
Afro-Latin American women leaders addressed a March 21st discussion at the Dialogue, co-sponsored by the Global Afro Latino and Caribbean Initiative, featuring Dialogue member **Epsy Campbell**, former candidate for vice-president of Costa Rica, and Colombian congresswoman **Zulia Mena**. Mena also spoke at a roundtable discussion on October 18, with former governor of the Chocó state, **Luis Murillo**.

José de Paula “Netinho” Neto, founder of the Afro-Brazilian television station TV da Gente, and Hamilton S. Cloud II, former vice-president of NBC, led a discussion on March 3rd about the challenges facing African descendants in the media, co-sponsored by the Phelps-Stokes Fund.

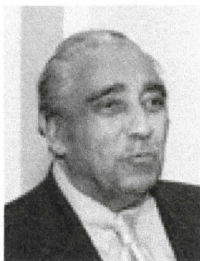
Clare Roberts, president of the OAS Inter-American Commission on Human Rights, led a discussion at the Dialogue on October 18 on recent efforts by the OAS to protect the rights of African descendants. Silvio Albuquerque, chair of the OAS Working Group on



Representative Gregory Meeks (D-NY).



Representative Donald Payne (D-NJ).



Representative Charles Rangel (D-NY).

Over 200 guests attended a reception on Capital Hill with U.S. Congressional Representatives Charles Rangel (D-NY), Gregory Meeks (D-NY), Donald Payne (D-NJ), Gwen Moore (D-WI), Elijah Cummings (D-MD), Eddie Bernice Johnson (D-TX) and William Delahunt (D-MA). The event was also supported by the offices of Senator Barack Obama (D-IL), Rep. Barbara Lee (D-CA), and the Congressional Black Caucus.



Supreme Court Justice Carlos Alberto Reis of Brazil, President of the Inter-American Commission on Human Rights Clare Roberts of Antigua and Barbuda.

*The Dialogue serves as secretariat for the Inter-Agency Consultation on Race in Latin America (IAC), a group of international development institutions that work to address issues of race discrimination, social exclusion, and other problems confronting Afro-descendant populations in Latin America.

Freedom of the Press

Access to Information in the Southern Cone

In cooperation with the Uruguayan Press Association, the Dialogue hosted a workshop on November 17 and 18 in Montevideo, Uruguay, where over 35 journalists, legislators, government officials, and civil society leaders met to develop new strategies to strengthen access to information in Argentina, Brazil, Chile, Paraguay, and Uruguay. Rodolfo Nin Novoa, vice president of Uruguay and president of the Senate, hosted the opening reception.

The Dialogue's **annual Capitol Hill symposium on freedom of the press** in

Latin America was sponsored by Senator Norm Coleman (R-MN) on December 8. Representatives from the Committee to Protect Journalists, Freedom House, and Human Rights Watch highlighted threats to press freedom in the region. Special guests William E. Casey, vice president at *The Wall Street Journal* and a Board member of the Inter American Press Association, and Roberto Saba of the Association for Civil Rights in Argentina also presented.

Latin American public opinion has not steered sharply to the left despite media reports to the contrary, said Marta Lagos, head of one of the region's top polling firms,

Latinobarómetro, at a November 22 Dialogue meeting "People are going to follow the leaders who offer computers, not leftist ideology," she said. ■



Rodolfo Nin Novoa, vice president of Uruguay and president of the Senate.



Maria del Pilar Callizo, Transparency International, and Congressmen Rafael Filizzola and Efraín Alegre of Paraguay.



Soledad Ferreiro Serrano, director of the Library of Congress of Chile; Jaime Gazmuri Mujica, vice president of the Senate of Chile.

Race Program *(continued from previous page)*

an Inter-American Convention against Racial Discrimination, and Douglas Martins de Souza, vice-minister of Brazil's Special Secretariat for the Promotion of Racial Equality, also spoke.

Silas da Silva, president of *Integrare*, a Brazilian business group dedicated to promoting diversity in international corporations, met with business professionals on October 28 at the Dialogue to discuss building ties between Afro-Brazilian and African-American businesses.

On October 27, African descendant leaders from Colombia, Ecuador and Peru spoke about policies needed to improve the lives of African descendants in the Andean region as part of a series sponsored by National Council of La Raza with the IAC and Inter-American Foundation.

The IAC and Global Rights: Partners for Justice sponsored a January 11th discussion with Martha Pro Santana, executive director of *Centro para el Desarrollo Urbano y Rural* of Peru, who spoke on the effects of racial discrimination on women's access to health, education and employment in Afro-Peruvian communities.

The IAC hosted a delegation of Colombian civil society and government representatives, sponsored by the Inter-American Foundation, for a one-day forum, on January 18, about the dire situation facing the native population of the Colombian island of San Andres. ■



Congressman Rubén Francisco García Martínez, former minister of health in Honduras.

Guillermo Perry, World Bank chief economist for Latin America, and Humberto Lopez, the Bank's senior economist for poverty reduction, presented a preliminary draft of the report, *Virtuous Circles of Poverty Reduction and Growth*, at the Dialogue on November 17. Commentary was provided by John Williamson of the Institute for International Economics and Nohra Rey de Marulanda of the Inter-American Development Bank.

Ernesto Stein of the Inter-American Development Bank introduced the Bank's new report, *The Politics of Policies* at a Dialogue meeting on April 6. Colin Bradford of the Brookings Institution offered comments.

PARTNERSHIP FOR EDUCATIONAL REVITALIZATION IN THE AMERICAS (PREAL)*

Working Groups

► On February 23-24, the Working Group on **Decentralization and School Autonomy** hosted the seminar "Strengthening School Management for the Promotion of Successful Decentralized Education Systems" in Guatemala. The minister of education of Guatemala provided opening remarks. On January 26 and 27, this working group organized, in collaboration with the Private Sector Council for Educational Assistance, the seminar "Strengthening Educational Quality through

School Management in Latin America: Promoting Schools of Excellence in Panama" in Panama City. Specialists from Chile, Brazil, and Colombia participated.

► In November, PREAL's Working Group on **Standards and Assessment** held an international seminar in Panama City on the advances and challenges of student achievement tests and standards in Latin America. Participants discussed Latin America's experience with UNESCO's regional achievement test, *Laboratorio Latinoamericano de Evaluación de la Calidad de la Educación*; case studies on national testing in Chile, Colombia, and Uruguay; and the future of standards and testing in Panama.

► PREAL's Working Group on **Teacher Professionalization** initiated a seven-country series of workshops to strengthen key aspects of the teaching profession, including recruitment, training quality, compensation, and performance evaluations. To date, 500 participants have attended workshops in Nicaragua, Colombia, Guatemala, and Honduras.

Report Cards

► PREAL launched its second regional report card, *Quantity without Quality: A Report Card on Education in Latin America*, at the Dialogue on December 16. IDB President Luis Alberto Moreno and USAID Assistant Administrator Adolfo Franco spoke.

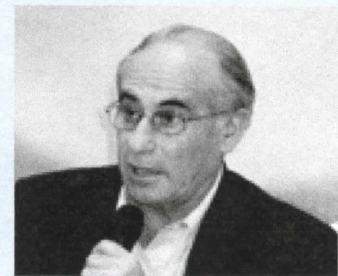
*The Partnership for Educational Revitalization in the Americas (PREAL)—managed by the Dialogue jointly with the Corporation for Development Research (CINDE) in Santiago, Chile—seeks to improve the quality and equity of education.



Former president of Uruguay and Dialogue member Julio María Sanguinetti.



Maria Helena Guimaraes de Castro, secretary for social assistance and development of the state of São Paulo; Dialogue vice president for social policy Jeffrey Puryear, co-director of PREAL.

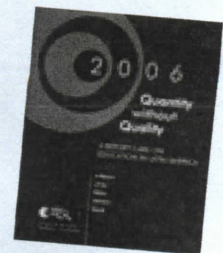


Former minister of education and Dialogue member Sergio Bitar of Chile.

PREAL Promotes Socially Responsible Investments in Education

The first Latin American Conference on Socially Responsible Investments in Education took place in Bahia, Brazil on June 22 to 24 with substantial participation by PREAL and the Inter-American Dialogue. Hosted by the Lemann Foundation (Brazil), the Jacobs Foundation (Switzerland), and the Gerdau Group (Brazil), the conference sought to promote public-private partnerships in education in Latin America.

PREAL's report card on education in Latin America, *Quantity Without Quality* was presented by Advisory Board member Paulo Renato de Souza, former education minister of Brazil; Dialogue president Peter Hakim commented.



- ▶ In January and February, *Quantity without Quality* was also launched in Panama, Guatemala, and Honduras.
- ▶ The last in a series of six *provincial report cards on Colombia*, **Mejorar, Un Reto Inaplazable: Informe de Progreso Educativo del Valle del Cauca, Colombia**, was launched in Valle de Cauca, Colombia in November.
- ▶ On October 6, PREAL and its Honduran associated center, FEREMA, launched the second **report card on education in Honduras**, *El Futuro es Hoy: Informe de Progreso Educativo, Honduras 2005*. Speakers: Alberto Díaz Lobo, vice-president of Honduras; Roberto Martínez Lozano, Honduran minister of education; and others.

Eradication of Child Labor through Education

On November 8 and 9 in Costa Rica, the *Primero Aprendo* project held its first coordinating meeting with consultants from the Dominican Republic, El Salvador, Costa Rica, Nicaragua, Guatemala, and Honduras. PREAL staff are managing the project, which seeks to combat exploitative child labor in Central America and the Dominican Republic by keeping children in school. PREAL will produce a series of national reports, disseminating the results through workshops in each participating country. Representatives from CARE, Caritas, Catholic Relief Services, and DevTech Systems also participated. ■

Inside the Dialogue

Staff Changes

Elisabeth Burgess joined the Dialogue in May 2006 as reporter and assistant editor of the Latin America Advisor newsletters. She has a Bachelor's degree in Spanish and Portuguese from Georgetown University and most recently served as librarian at the Institute of International Finance.

Daniel Erikson was promoted to senior associate, effective January 2006. He continues to direct the Dialogue's work on Cuba and the Caribbean, and works with the president in managing the Dialogue's other U.S. policy projects.

Megan Fletcher completed her M.A. in Latin American studies at Georgetown University's School of Foreign Service, and was promoted to program associate, providing support to the Dialogue's trade, CAF and congressional programs.

Rachel Menezes was promoted to associate, social and economic policy.

Yesenia Rivas was promoted to office and events manager, effective May 2006. She continues to manage the day-to-day operations of the office, and will increasingly provide logistical support for the Dialogue's meetings.

PREAL Published:

Quantity without Quality: A Report Card on Education in Latin America. PREAL Advisory Board. Washington, DC: PREAL, 2006. (Also available in Spanish and Portuguese.)

Accountability educacional: posibilidades y desafíos para América Latina a partir de la experiencia internacional. Javier Corvalán and Robert W. McMeekin, eds. Santiago: PREAL-CIDE, 2006.

Sistemas de Evaluación de Aprendizajes en América Latina Balance y Desafíos. Guillermo Ferrer. Santiago: PREAL, 2006.

Private Education and Public Policy in Latin America. Laurence Wolff, Juan Carlos Navarro, and Pablo González, eds; Washington, DC: PREAL, 2005.

Mejorar, Un Reto Inaplazable: Informe de Progreso Educativo de Valle del Cauca, Colombia. Corpoeducación-Fundación Corona-Fundación Empresarios por la Educación-PREAL. Bogotá: PREAL, 2005.

Una Revisión a la participación escolar en América Latina. April 2006.

Programa de Becas Estudiantiles. February 2006.

Costa Rica y El Salvador: Tres casos de compromiso del sector privado con la educación pública. December 2005.

¿Qué es la calidad de la educación? December 2005.

Sindicatos docentes e governos: Conflitos e diálogos em torno da Reforma Educativa na América Latina. Mariano Pamiessi. December 2003. Portuguese translation released in 2005.

A responsabilidade externa tem efeito nos indicadores educacionais dos alunos? Uma análise entre os estados dos E.U.A. Martin Carnoy and Susana Loeb. April 2004. Portuguese translation released in 2005.

Accountability educacional en Brasil: Una Visión General. December 2005.

Crisbellt Slone joined the Dialogue as an accounting assistant in November 2005. From Valencia, Venezuela, Slone has a B.A. in business administration from the University of Carabobo, and most recently worked at the Inter-American Development Bank as an administrative assistant.

Departures

Devin Finn left the Dialogue in April 2006. She plans to work on immigration issues in California before returning for her graduate degree in 2007.

Eric Jacobstein left the Dialogue in January 2006 to work for Representative Jim Kolbe (R-AZ) on trade issues.

Patricia Jinich completed her work on the Dialogue's remittances task force and left the Dialogue in December 2005.

Raquel Leonard left the Dialogue in April 2006 to work as an assistant to the head of the new Washington Latin School before returning to graduate school.

Jaelyn Shull-González left the Dialogue in June 2006 to pursue a law degree at University of California, Berkeley.

New Dialogue Members



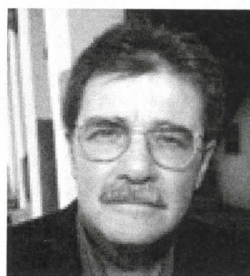
Joe Clark was prime minister of Canada. Elected eight times to the House of Commons, he was secretary of state for external affairs from 1984-1991 and also served as minister of constitutional affairs.



Ricardo Lagos was president of Chile. He is founder and president of the Foundation for Democracy and Development, and president of the Club of Madrid. He now serves as co-chair of the Inter-American Dialogue.



Thomas J. Mackell, Jr. is chairman of the Federal Reserve Bank of Richmond and a director of National Investment Managers, Inc. He served on the ERISA Advisory Council to the secretary of labor during the Clinton administration.



Teodoro Petkoff is president and editor of the Venezuelan opposition daily *Tal Cual*. Petkoff broke with the Communist Party in 1971 to found Movimiento al Socialismo (MAS). He served as a member of Congress and was planning minister under Rafael Caldera. Petkoff is a candidate for president.



João Sayad was vice president for planning and administration of the Inter-American Development Bank. Previously he served as minister of planning of Brazil, and secretary of finance and economic development for the city of São Paulo.



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