



SUMMIT OF THE AMERICAS: A REGIONAL STRATEGY FOR DEMOCRATIC GOVERNANCE AGAINST CORRUPTION IN THE HEMISPHERE

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ERIC FARNSWORTH
VICE PRESIDENT
COUNCIL OF THE AMERICAS AND AMERICAS SOCIETY

*** As Prepared for Delivery ***

Good morning, Mr. Chairman, Mr. Ranking Member, and Members. Thank you for the opportunity to testify again before you on such a timely and important topic.

This hearing could not come at a more important period in hemispheric relations, just days before the next Summit of the Americas in Lima, Peru. The White House has indicated that President Trump will attend, his first visit to the region as president, before traveling onward to Colombia. Though he has already met a number of his hemispheric counterparts, this will be his first opportunity to present a vision of U.S. engagement with the region based on areas of common interest and values. Hopefully by then the United States, Mexico, and Canada will be able to announce concrete progress toward completion of the ongoing NAFTA renegotiations. More broadly, the region will be looking for signals from the U.S. delegation as to the president's regional priorities and to dispel certain misperceptions.

A Region in Transition

With a number of critically-important regional elections scheduled this year, including Brazil, Colombia, Mexico, and Paraguay, as well as the election charade that Venezuela seems intent on conducting on Cuban Independence Day in May, this is a critical year in the Americas that may determine the region's direction. It comes as both Russian and Chinese leaders are consolidating and strengthening their respective internal positions and pursuing more aggressive policies toward Western democracies and their interests, including those in the Western Hemisphere. Along with allegations of stepped-up Russian meddling in elections across Latin America and the Caribbean, and also China's increasing overlay of a strategic agenda on top of pre-existing trade and investment activities, the region is now at a crossroads. The Summit in Lima offers an important forum to reaffirm the regional democracy agenda and to position the United States as the preferred partner in regional affairs. But we have to have a meaningful, positive agenda of cooperation in order to do so.

The Summit: Purpose and Prospects

Of course, the Summit itself is not without its difficulties. Just prior to hosting the Summit, Peru's president resigned at the end of March over corruption allegations—ironic given the anti-corruption theme of the Summit—and several other leaders plan to skip the meeting altogether including, perhaps, the president of Latin America's largest nation, Brazil. Meanwhile, those leaders who do plan to attend will be hard pressed to deliver anything but anodyne results. Corruption as an issue has already been condemned numerous times in regional fora, including at the very first Summit of the Americas in Miami in 1994 and every Summit since. Still, corruption continues to spread to the point where a number of outsider, anti-establishment candidates from both the left and the right may be ushered into high political office this year by voters sickened by corruption. The issues are real, and they are significant, hurting economies and reducing confidence in democratic governance. It is a major regional issue that needs to be addressed. Certainly, more can be done, and must be. Implementation of previous Summit commitments is mixed, at best.

As well, there is also the challenge of unintended consequences. Most nations don't have a Foreign Corrupt Practices Act or equivalent; what is illegal under U.S. law may not be elsewhere. Most don't have the same jurisprudence or social mores as the United States. The issue of enforceability, or even definition, is complicated. More to the point, public cynicism increases, potentially undermining democracy, when leaders sign on to conventions and agreements they have no intention of upholding or of which they may even already be in breach, as they have at previous Summits. Of greater concern, the anti-corruption agenda, in the wrong hands, can actually give license to officials who, for political purposes, would weaponize it to undermine or eliminate political rivals. Arguably, that scenario is precisely what just occurred in Peru itself.

The Summit of the Americas was originally conceived as a way to support new democracies emerging from the Cold War into a unipolar world where economic integration was a strategic matter and where collective efforts could be applied by consensus to addressing regional issues. The world has dramatically changed since those optimistic days, but the Summits have remained a consensus-based forum. In practice, this means that progress on the most pressing regional issues is difficult in the Summit context; the divergent political priorities of nations at the table, now including Cuba, makes consensus unlikely if not impossible. To build momentum and relevance behind future Summit commitments, leaders should move from consensus to a "pathfinder" approach, as is used in the Asia-Pacific context in APEC. Those nations that can make progress on various issues, and choose to do so, should not be prevented by others who are unwilling to make similar commitments. Alternatively, the Summit itself could be re-engineered, from a grouping of nations who meet together as an accident of geography to a grouping of nations who meet together because they truly share similar values and interest and genuinely seek to make progress on the issues that affect them. As in the G7/G8 context with Russia, if nations are disruptive or rejectionist or govern in an undemocratic manner, their participation in the Summits should be suspended.

Serious consideration should therefore be given as to the purpose of future Summits of the Americas. The world has change dramatically since the first Summit in 1994, and, to remain relevant, future Summits should take that into account. Whether that means limiting participation to governments that promote democratic practices as delineated in the Inter-American Democratic Charter signed on September 11, 2001, also in Lima, or changing the structure, or some other formulation, can all be discussed.

Venezuela and the Summit

Venezuela is a case in point. The nation is in crisis. The government's misguided effort since 1999 to establish a new Socialism for the 21st Century has predictably wrecked the economy and destroyed democracy. The nation suffers from the world's worst hyperinflation, the healthcare system has collapsed, and one in five Venezuelan children suffers from malnutrition. Crime has spiked and Caracas is reportedly now the world's most dangerous city. Social indicators have deteriorated to the point where Venezuela's global peers are mostly desperate war-torn nations such as Syria and Yemen.

But this is not a self-contained crisis, visited upon Venezuelans alone. It is also directly impacting Venezuela's neighbors. Seeking in some cases just to survive, hundreds of thousands of refugees continue to cross into Brazil and Colombia and the Caribbean, without jobs or food or obvious means of support, overburdening already-stretched resources. Colombia in particular has sought international assistance to address the crisis. Elsewhere, Venezuela's inability to control the illegal drug trade, with reports of senior officials actively involved, is undermining democratic institutions and social stability in transit nations such as those in the Northern Triangle of Central America, contributing to the flows of unaccompanied children and other migrants north to Mexico and the United States. And Venezuela is also reportedly working closely with Russia as a beachhead in the Americas from which to promote Spanish language information manipulation and cyber hacking and disruption to advance messages the undermine democracy, stability, and U.S. and friendly nation interests.

These are precisely the issues that Summits of the Americas might address. Of course, with Cuba, Nicaragua, Bolivia and certain Caribbean client-states of Venezuela at the table, it is unrealistic to conclude that the leaders will reach consensus in Lima on a coordinated approach. Further limiting prospects for success, it should be anticipated that one or more of these nations will manufacture a surprise designed to disrupt the counter-Venezuela narrative and to put the United States and host nation Peru on the defensive, much as the late Hugo Chavez pulled political stunts at Summits in 2005 and 2009. Still, the Summit will gather many like-minded leaders who are committed to working together on a common agenda including concrete measures to address the Venezuela crisis, continuing a process intended to restore the democratic path to that troubled nation while laying the groundwork for an economic recovery plan that can be implemented at the appropriate time. Such actions are to be applauded.

Thank you again for the opportunity to testify before you today. I look forward to your questions.