



Statement before the Senate Foreign Relations Committee
On “The State of Democracy in Latin America and the Caribbean”

A Hemisphere Safe for Democracy

Reflections on the State of Democracy Nearly Two Decades
After the Inter-American Democratic Charter

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Chairman Menendez, Ranking Member Risch, and members of the committee: Thank you for the opportunity to testify on the state of democracy in Latin America and the Caribbean.

As the world approached the last decade of the Soviet Union's existence and the eventual denouement of the Cold War, it seemed an inauspicious moment for the fate of democracy in Latin America and the Caribbean. The moment felt un conducive for democratic flourishing, with military regimes still running many countries and economic and debt crises sending shock waves through societies.

Instead, a remarkable phenomenon transpired in the region from the mid-1980s until the signing of the Inter-American Democratic Charter in 2001: the longest expansion and the deepest consolidation of democracy in the region's history.¹ Aided by shifts in global power dynamics, the receding of the revolutionary left, the rapid expansion of market economies, and the availability of greater capital lending, democracy enjoyed a boom phase in Latin America and the Caribbean.² This progress was reflected in earlier statements, such as the 1985 Protocol of Cartagena de Indias, which spoke of representative democracy as an indispensable condition for the stability, peace, and development of Latin America and the Caribbean.

While the process of democratization in Latin America and the Caribbean was certainly not linear, by 1994, the number of countries with "free" designations according to Freedom House had nearly doubled. The number of "not free" countries in the region stood at just one: Cuba.³ In short, democracy had become the rule and not the exception in Latin America and the Caribbean.

This age for democratic growth in the region culminated in the signing of the Inter-American Democratic Charter on that fateful day of September 11, 2001, in Lima, Peru. The charter enshrined the region's commitment to democracy and attempted to impel the region's still unconsolidated democratic institutions toward further consolidation. Alas, the charter's high-minded aspirations proved elusive in practice.

The march toward a hemisphere of democracies did not endure. Cuba resisted all change and continued as a Communist dictatorship; Venezuela and Nicaragua succumbed to the ravishes of authoritarianism; Argentina, Bolivia, Ecuador, and more recently, Brazil and Mexico were taken by the siren song of populism; Central American states failed to build on early gains, missed critical moments, and eventually suffered democratic backsliding; and organized crime—many times aided and abetted by the highest echelons of political power—spread its tentacles of antidemocratic corruption throughout the region.

Determined campaigns to extirpate region-wide systemic corruption revealed a previously unfathomable extent of state rot, eviscerating established political parties and giving rise to outsider and fringe candidates straining the region's fragile democratic institutions. This concatenation of events has played out in the region's smallest democracies—Central America—and the region's largest democracies—Brazil and Mexico—alike.

In sum, the state of democracy in today's Latin America and the Caribbean may be limping instead of sprinting. Democracy may not shine as brightly as it once did, but it carries on in many parts of the region, in desperate need of renewal and strengthening. Meanwhile, great power rivals are cheering democracy's stumbles, actively working to thwart its success, and promoting alternative systems of governance antithetical to a hemisphere safe for democracy.

The Importance of the Inter-American Democratic Charter

The Inter-American Democratic Charter was a historic agreement that declared the “peoples of the Americas have a right to democracy and their governments have an obligation to promote and defend it.”⁴ It is binding on all signatories, committing them to promote and defend democracy as the only acceptable form of government in the Western Hemisphere. The charter relies on the organs of the Inter-American System to monitor democratic practices and enforce democratic principles in the region, documenting and potentially punishing violations.

The charter's immense value should not be underestimated. It continues as a major reference point that serves to promote a culture of democracy in Latin America and the Caribbean. The charter anchors democratic practices by furnishing a common standard by which to judge countries that have strayed and establishing a mechanism for punishing delinquent countries, including potential expulsion from the Organization of American States (OAS) and the Inter-American System. The charter also establishes a framework for the OAS's routine electoral observation missions in member states.

Over the past two decades, however, the charter has often failed to inspire a vision for a hemisphere of integrated and increasingly prosperous democracies; rather, at times it has avoided slipping into irrelevance only as a coercive tool in the occasional attempt to bring wayward countries back into line—Venezuela in 2002, Honduras in 2009, and Venezuela again in 2016.

The Rise of Hybrid Regimes and Authoritarian Spoilers

Two of the most notable trends of the past decade in Latin America's democratic history are the rise of hybrid regimes and authoritarian spoilers—regional and extra-regional alike. Regionally, several countries, despite their democratic facade, are actually autocratic or authoritarian in nature. Scholars have described this hybrid regime type, where democratic institutions exist in form but not in substance and where elections occur regularly but are largely stage-managed, as “competitive authoritarianism.”⁵

Incumbents' use (and abuse) of the state often places them at a significant advantage vis-à-vis the opposition. In competitive authoritarian regimes, “democratic procedures are sufficiently meaningful for opposition groups to take them seriously as arenas through which to contest for power.”⁶ Yet, these regimes often abrogate basic principles of democracy, such as free and fair elections, the protection of basic civil liberties (e.g., freedom of the press and association), and an even electoral playing field (e.g., lack of independent media).

In addition to hybrid regimes in the region, extra-regional authoritarian actors have also stymied Latin America's democratization by supporting regional backsliders and authoritarians and

insulating them from democratic pressures. For instance, in a geopolitical environment of intensifying rivalry, where Latin America has become an emerging flash point, extra-hemispheric actors and US strategic competitors have opportunistically leveraged the bedlam in Venezuela, the repressive crackdown in Nicaragua, past authoritarian slides in Ecuador and Bolivia, and the debt-fueled descent of Argentina to enter the Western Hemisphere, sow chaos, set debt traps, destabilize the region, and even augment their power projection capabilities.

Authoritarian states have a deep interest in constructing a world safe for their ilk. In the aforementioned countries, China, Russia, Cuba, and others have moved to stymie democracy, shore up allies, and pass on knowledge in regime survival and election rigging. In many cases, these relationships have transformed from transactional bonds to blossoming strategic partnerships and even outright dependencies.

Several countries in the region have become prime examples of the phenomenon known as “authoritarian export” and “authoritarian learning,” whereby authoritarian leaders share best practices in regime survival and “adopt survival strategies based upon their prior successes and failures of other governments.”⁷ Like a family recipe, extra-regional authoritarian powers have bequeathed to several Latin American countries—namely, Venezuela and Nicaragua—their best advice in regime adaptation and survival.

The Inter-American Democratic Charter and the traditional foreign policy tools of democracies have proved no match for the designs of authoritarians.

The “Bolivarian Joint Criminal Enterprise” is Working to Thwart Democracy

Venezuela’s rapid descent into authoritarianism was fortified by the construction of a multibillion-dollar network of corruption weaving threads throughout the region with sympathetic political leaders, economic elites, and criminal organizations. The sinews of resilience for the Hugo Chávez and now Nicolás Maduro regimes have been a sprawling network of corruption undertaken with the patina of economic development and regional solidarity. One analyst dubs this network the “Bolivarian Joint Criminal Enterprise,” which holds a vice-like grip on the region’s democratic progress.⁸

Although in many instances, the Venezuelan regime spread these tentacles years ago, they continue to hinder the region’s democratic performance. In El Salvador, for example, President Nayib Bukele has been accused of “enduring ties to transnational criminal structures” emanating from the Venezuelan criminal empire and encompassing some of the most worrying criminal actors in the region. Literally billions of dollars have disappeared from Alba Petróleos, operating as a Salvadoran subsidiary of Venezuela’s state-run oil monopoly, Petróleos de Venezuela, S.A.⁹ Much of this money has made its way into political campaigns, providing illicit financing and melding criminal activity with democratic politics in El Salvador.

Lessons Learned over Nearly Two Decades

Elections by Themselves Are Not Enough. While the Charter helped the region maintain an admirable focus on one of the most important components of democracy—elections—they alone

are insufficient to protect and consolidate democracy. The rise of “competitive authoritarian” regimes means that democracy promotion efforts in Latin America and the Caribbean must focus on the often highly technical aspects of democracy, such as the composition of national electoral commissions, the development and finance of political parties, and the media landscape in relation to electoral competition.

The Charter Is Subject to and Suffers from Unfavorable Regional Dynamics. The charter often fails to bare its teeth because it is dependent on not only regional dynamics but also the cooperation of the country in question. This has vitiated the Inter-American Democratic Charter’s ability to serve as a policing mechanism among a community of coequal democracies. Further, regional dynamics have prevented the threat of expulsion from the OAS as the ultimate cudgel in earning concessions for freer and fairer elections, most notably in Nicaragua.

OAS Leadership Matters Greatly. The charter’s provisions are only as good as the OAS’s leadership. Under the leadership of Secretary General José Miguel Insulza, the charter suffered some notable defeats, such as the 2009 vote to readmit Cuba back into the OAS in contravention of the charter’s provisions. (Cuba ultimately declined to rejoin to OAS, but the damage had already been done to the binding spirit of the charter as a serious push for democracy.) Secretary General Luis Almagro deserves praise for elevating the Inter-American Democratic Charter in the work of the secretariat and reviving the charter’s relevance by placing it back at the center of the OAS’s mission.

Policy Recommendations

To forge a hemisphere safe for democracy and defeat great-power rivals pushing alternative, antithetical systems of government, the US should pursue the following policies.

Dismantle Transnational Organized Crime Networks. The US must continue its efforts to dismantle transnational organized crime networks—both non-state groups and state-sponsored groups alike—that limit the ability to promote and consolidate democracy in Latin America and the Caribbean. After all, no amount of rhetorical fondness for the Inter-American Democratic Charter can overcome the deeply embedded networks that permeate the Western Hemisphere, emanating most startlingly from the criminal regimes in Venezuela, Nicaragua, and Cuba. These links are global in nature, however, coursing through the entire hemisphere, undermining democracy, and vitiating the rule of law.

The US must continue to engage in the work of dismantling transnational organized crime with greater urgency than ever before—technical training and standards enforcement, anti-money laundering work, and bilateral security assistance, to name but a few policies. In other cases, the US should aggressively use the Global Magnitsky Act to sanction corrupt officials involved in human rights abuses and freeze their assets. Recent legislation, the so-called “Engel List,” provides another avenue to deny visas and name and shame corrupt individuals involved in transnational criminal networks.¹⁰

Beware the “Autocrat’s Playbook.” As the struggle for democracy in Venezuela and Nicaragua demonstrates, it is nearly impossible to dismantle a dictatorship once consolidated.

The tools provided by the Inter-American Democratic Charter can help the US sound a powerful tocsin against Latin American regimes engaged in democratic backsliding—which suffer significant ruptures in their democratic order—before it is too late. Indeed, while the charter may shine most brightly on Venezuela, Nicaragua, and Cuba—precisely where its principles are most lacking—the spotlight should highlight countries beyond the so-called Troika of Tyranny as well.

There is a well-worn playbook on the road to democratic ruin that includes manipulating the media landscape, corrupting judicial independence and packing the judiciary, reengineering elections, suffocating civil society, bringing the private sector to heel, spawning pro-government organizations, and even organizing ersatz political parties. In this playbook, the *coup de grâce* is a systematic destruction of political opposition and the empowerment of pro-government paramilitary groups. The charter can help Latin America and the Caribbean construct and anchor the antithesis of the autocrat’s playbook—the “democrat’s playbook.”¹¹

Prepare Now for the Post-Pandemic Environment. Many of the long-term challenges that predate the pandemic in Latin America and the Caribbean—systemic corruption, poor institutional design, weak governance, and the lack of democratic principles and practices—have again come to the fore during the pandemic and will continue long after the pandemic has subsided. However, the great-power rivalry now encompassing Latin America and the Caribbean makes addressing these challenges all the more urgent.

The case for greater US engagement with Latin America and the Caribbean as it exits the pandemic and looks to its shared neighborhood has never been stronger. For too long, the region has suffered from the same American shortsightedness: lack of time, attention, and resources. There has never been a better time to show Latin America and the Caribbean that the US takes the idea of a shared neighborhood of prospering democracies seriously.

Bring Ideology back to the Fore. Quite simply, the only way the US will compete and outpace China’s burgeoning influence in Latin America and the Caribbean is with a more attractive vision for our shared hemisphere. *We should not shy away from the fact that this is a competition over ideology as much as it is about military influence.* The US must afford countries not directly threatened by China’s military a strong reason to care by emphasizing the shared political values with its neighbors and partners in the region.

In a recent article for *Foreign Affairs*, two China scholars reflect on how the Cold War “was a struggle to ensure that the world reflected the norms and values of a democratic coalition rather than its authoritarian rivals. For similar reasons, shared principles are critical to forging robust international coalitions today.”¹² For the region, these shared principles and aspirations are anchored unequivocally in the Inter-American Democratic Charter. There is the potential for the charter to fulfill the promise it has thus far failed to fulfill—that is, to serve as a positive and inspirational document committing the hemisphere to become a bastion of democracy.

Leverage the International Development Finance Corporation (DFC) and the Inter-American Development Bank (IDB). The US should take advantage of both the DFC and the IDB to push back on China’s (and to a lesser extent, Russia’s) steady gains in Latin America and

the Caribbean over the past decade. Recognizing the importance of Latin America and the Caribbean, the US Congress ought to consider a requirement that 35 percent of DFC lending be pegged to the Americas, as the bipartisan Advancing Competitiveness, Transparency, and Security in the Americas Act (ACTSA) does. The US should pair this requirement with a push for a much-needed capital increase at the IDB.¹³ Under the right set of incentives and lending requirements, the DFC, the IDB, and matching private financing could bring nearly a quarter of a trillion dollars over a five-year period to the table—some serious development assistance and investment firepower in the region. Such a combination would reduce the strategic vacuum for China to expand its One Belt, One Road Initiative and engage in debilitating debt-trap financing, with all its attendant consequences for democracy. However, executing this strategy properly will require those who harbor misgivings about the election for the IDB presidency to be forward-looking and see the IDB president as the potential ally that he is.

Prioritize Governance. Governance deficits abounded throughout Latin America and the Caribbean prior to the pandemic. The COVID-19 pandemic has laid bare governance deficits in an even more apparent way. In part, poor governance explains the shockingly low levels of satisfaction with democracy in the region and provides critical openings for criminal groups and US strategic rivals. Of course, the US should also prioritize economic development and security assistance, but often governance has been an underemphasized facet of US assistance to the region.¹⁴

The rule of law and the ability of governments to provide the most basic of services should be fundamental goals of US assistance to most countries in Latin America and the Caribbean. In this, the US must partner with civil society and local actors crucial to these efforts. The US can even provide technical support where local political actors are open to receiving it.

Reconsider the Relationship Between Trade Agreements and Democracy Promotion. The US should reconsider its free trade arrangements with countries considered “not free” by Freedom House’s annual Freedom in the World Index. In the Western Hemisphere, this means reconsidering Nicaragua’s continued participation in the Dominican Republic-Central America FTA, especially given the prospects that free trade agreements may have contributed to grave human rights abuses at the hands of a security apparatus accused by the Interdisciplinary Group of Experts, a working group of the OAS, of “crimes against humanity.”¹⁵ Trade agreements provide significant leverage to earn concessions from authoritarian leaders and backsliding democracies alike. Quite simply, the US has no interest in permitting its free trade agreements to bolster the security apparatuses of authoritarian states and backsliding democracies contributing to gross human rights violations.

NOTES

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