



Democratic Challenges and Opportunities in Latin America

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Submitted by

Deborah Ullmer
Regional Director for
Latin America and the Caribbean

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Chairman Menendez, Ranking Member Risch and members of the Committee, thank you for this opportunity to address the Committee in this timely hearing on the “State of Democracy in Latin America and the Caribbean.”

I have more than 20 years of experience managing a range of democracy assistance and human rights programs in the Latin America region, and have spent half of my career living and working in Guatemala, Guyana, Honduras and Nicaragua.

The organization I represent – the National Democratic Institute (NDI) – is dedicated to strengthening democratic governance, practices and institutions globally. NDI has worked in Latin America and the Caribbean for nearly 35 years, supported by several international assistance organizations, including the United States Agency for International Development, the National Endowment for Democracy, the State Department Bureau of Democracy, Human Rights and Labor, the Swedish International Development Assistance Agency, Global Affairs Canada, Open Society Foundation, Norwegian Ministry of Foreign Affairs and the Howard G. Buffett Foundation. Today, NDI has six national offices in Colombia, Ecuador, Guatemala, Haiti, Honduras and Mexico. We regularly engage other countries in regional programs on citizen security, election integrity, accountability and transparency, dialogue on political reform and combating disinformation. Our work with civic groups, government officials, legislators and political parties from all political persuasions, at national and local levels, exposes us daily to diverse perspectives, spanning senior political leaders to grassroots activists, and informs the observations that follow.

Key Trends and Ways to Address Them

On September 11, 2021, the Organization of American States (OAS) will celebrate the 20th anniversary of the groundbreaking Inter-American Democratic Charter. Since the Charter’s adoption, there have been numerous challenges to democratic governance -- including a rise in authoritarian and populist leaders -- questioned elections, democracy not delivering, entrenched corruption and a growing prevalence of misinformation and disinformation and illiberal influences. The severity of the COVID-19 pandemic compounded long-standing social and economic inequalities, and magnified democratic and human rights challenges. Post-pandemic economic recovery and unequal vaccine rollout efforts may further fuel unrest in the region and open possibilities for more populism. Social mobilization in recent history has demonstrated that there is a popular outpouring on the need for change, but there is no consensus on what their future should look like. Additionally, the magnitude of migration movements due to crime, corruption, impunity, poverty, climate change and other vulnerabilities is creating humanitarian crises in the region.

Democracy Backsliding

While Latin America continues to experience democratic backsliding, “the region remains the most democratic emerging region globally — scoring below only Western Europe and the United States,” according to the [Economist’s](#) most recent survey of the state of democracy. This

point underscores the continued potential the Western Hemisphere has for further advancing freedom, opportunity and prosperity; and deepening productive partnerships with the United States.

Nevertheless, in the last 15 years, the prospects for the consolidation of democratic governance have dimmed with the increase of authoritarian rule and leaders with populist tendencies. Today, in Latin America, three countries are rated by Freedom House's [Freedom in the World Report 2021](#) report as "Not Free," including Cuba, Venezuela and Nicaragua, all places where NDI cannot open or has had to close its offices. NDI has observed the costs to human rights by governments that have used the COVID-19 pandemic to assert greater centralized authority through its offices globally.

At the outset of 2021, the Nicolás Maduro regime took control over the last remaining democratic institutions in Venezuela through legislative elections rejected by the international community as illegitimate. Maduro's authoritarianism is responsible for the country's descent into economic collapse. The regime-backed National Assembly is considering 33 bills to consolidate Maduro's power by further curtailing freedom of expression, restricting international cooperation and establishing fewer economic controls that will allow regime cronies to operate more freely. The humanitarian crisis has also intensified in recent months in response to the destruction of essential services, shortage of gasoline, low wages and high cost of living all exacerbated by COVID-19. At least 5.5 million Venezuelans have fled to neighboring countries in Latin America; the United Nations estimates that the Venezuelan refugees' population will swell to 8.1 million by the end of 2021. The regime repealed a law which required gubernatorial and municipal elections to be held on separate dates before the end of the year. This would allow the regime to hold a super-election in 23 states and 335 municipalities, further consolidating power at the local level. There are no easy or quick solutions to Venezuela's crisis. **Still, in the long-term, the U.S. should continue to help Venezuelans create the conditions for a return to democracy through free, fair and credible elections.**

Nicaragua represents another "democracy deficit" in the region. Nicaragua's on-going socio-political crisis began in April 2018 when widespread popular protests over social security reforms resulted in more than 325 deaths at the hands of the police and paramilitary according to numerous human rights reports, and in violent repression that continues today. In late 2020, Daniel Ortega's regime approved a set of draconian laws that undermine fundamental freedoms and further erode the country's rule of law. In October 2020, the [OAS adopted a resolution](#) calling on Nicaragua's government to "fully respect the constitutional order, human rights, and fundamental freedoms, and hold free and fair elections," planned for November 7, 2021. Democratic opposition political and civic groups seek to unify and contest the elections, representing the best chance for Nicaraguans to regain their freedoms and democracy. **It is essential that the United States press for minimum conditions for legitimate elections in Nicaragua, including the full participation of the democratic opposition without**

restrictions, transparency through national and international observers and accountability at all levels of the election process.

While on-going government repression has obstructed democratic activists in Cuba, they continue to voice their aspirations for more liberties. Over the past several months, civic energy and the volume of peaceful protests is increasing around calls for freedoms. There is also growing public frustration with the Cuban government over economic liberty and access to basic resources amid a deepening humanitarian crisis exacerbated by COVID-19. Recent peaceful protests by Cuban artists, journalists and civic activists calling for freedom of speech and artistic expression are the largest demonstrations on the island in the past 60 years. This initiative underscores Cubans' demand to enjoy the same freedom and democratic rights as others throughout the hemisphere. In this respect, the Committee's strong bipartisan approval of S. Res. 37 in support of the San Isidro Movement shines a key spotlight on the human rights situation in Cuba and provides critical backing to Cuban activists. **As called for by NDI in the past, "the United States and other international actors should continue to press the Cuban government to abide by the [Universal Declaration for Human Rights](#)."**

A Rise in Populism and New and Unresolved Electoral Integrity Issues

An electoral supercycle will occur in the region this year against the backdrop of populations ravaged by the COVID-19 pandemic. Economic slowdown due to the pandemic and persistent criminal violence has negatively affected the quality of life and made it more difficult for governments to deliver on promises to improve citizens' lives. As a result, "outsider" politics is in danger of rising as traditional political parties' prestige in delivering on democracy has declined throughout the region.

Nonetheless, there are positive signs for the possibility of renewal. Chile, a long-standing democracy, will embark on one of the most complex election cycles in its recent history, providing an opportunity for the country to redefine its constitution and "[forge a new social contract](#)." Protests in 2019 led to a constitutional referendum, which passed in October 2020 to replace the Pinochet-era constitution. Local and constituent assembly elections are due on April 10 and 11, and presidential and legislative elections in November. The assembly must elect an equal number of women and men, and 17 seats are reserved for indigenous peoples of 155 members; two-thirds majority must approve the constitution. Given ongoing interest in the region in constitutional reforms, Chile could once again serve as a model for the region.

Haiti also is planning a complex election cycle. Earlier this year, the Haitian Provisional Electoral Council announced plans to hold a constitutional referendum (June 27), first-round elections for president, Chamber of Deputies and Senate (September 26) and run-off and local government elections (November 21). In Haiti, as in the past, the need for overdue and pending elections continue to be flashpoints for conflict. Haitian-led dialogue will be key to find political common ground and a path forward for elections, including to restore the operations of the legislative branch and end presidential rule by decree.

According to the [Economist](#), political risk is high given “trends in a rise in anti-incumbency sentiment and an increasing preference for populists.” Non-traditional political figures may win in the presidential elections in Ecuador and Peru (both on April 11). Run-off elections in Ecuador will take place between a young former cabinet member supported by former populist president Rafael Correa, and a conservative banker and two-time former presidential runner-up. In Peru, practically none of the candidates have close ties with the political parties that nominated them, nor are they traditional political figures. Candidates include a former goalkeeper of the Peruvian soccer team, an internationally recognized economist and a leftist leader from Cusco. NDI is working with the electoral authorities in both countries to organize presidential debates to help inform voters and promote accountability by the candidates. NDI is also supporting initiatives in both countries to increase women’s political participation, and help address violence against women in politics. Whoever is elected in either scenario is unlikely to have significant support from a new legislature, and will have to form alliances to effectively govern.

Thus far, elections in 2021 have been contentious. In February, El Salvador’s legislative elections ushered in an extraordinary margin of victory for President Nayib Bukele’s *Nuevas Ideas* party, giving the executive branch absolute control over the legislature. According to the [Organization of American States’ election observation mission](#), the Salvadoran elections took place within a context of “polarization and confrontation between the president and traditional political parties and institutional figures in the country, including indications of mistrust in the electoral authority.” A pre-election mission report by the [Inter-American Institute of Human Rights /Electoral Advisory and Promotion Center on the Mexican mid-term legislative elections](#) (June) highlights similar tensions between the executive and the electoral authority. According to the report, “the tensions are on display via a debate on the elections budget, public questioning of the electoral authority, and the electoral regulation of the Mexican president’s regular morning press briefings, known as *mañaneras*.”

Elections will also take place against the backdrop of a “continued decline in citizen trust in elections,” according to the [2018/2019 USAID-supported Latin American Public Opinion Project \(LAPOP\)/Latinobarómetro study](#). In recent years, citizens in the region have questioned their elections, including presidential elections in Bolivia (2019), Ecuador (2017), Guyana (2020), Honduras (2017), Nicaragua (2011, 2016) and Venezuela (2017, 2018, 2020).

In Bolivia, the repercussions from the 2019 and 2020 elections continue to be evident in the deeply polarized country. President Luis Arce’s government recently jailed former interim president Jeanine Áñez and two former cabinet members, and issued warrants for other former top officials for fomenting a “coup” against former president Evo Morales following the 2019 elections. The 2019 elections were annulled after protests broke out following allegations of election fraud, as confirmed by OAS observers. Arce’s actions followed an amnesty for Morales’ supporters accused of human rights violations by Áñez. The “express” nature of the arrests undermines the rule of law. Some Bolivian analysts see the arrests as retribution for prosecution of Morales administration figures during President Añez’ tenure. **The United States should**

support the United Nations and the OAS in calling for the respect of human rights and due process in Bolivia.

As identified by NDI, several [lingering challenges to electoral integrity](#) in the hemisphere are of particular concern, including “efforts by political leaders to curtail the independence of electoral authorities and adjust established rules of the game in their favor, such as using courts to restrict political participation and infusions of political financing from narco-traffickers and other illegal sources.”

In Honduras, the November 27 elections will occur in the context of incomplete electoral reform that had promised to deal with challenges to electoral integrity following contentious 2017 general elections that left at least 23 dead in post-electoral violence. On March 14, Honduras held primary elections for three of the 14 registered political parties. Candidates include officials accused of or indicted for corruption, misuse of funds and money-laundering for a drug cartel. Additionally, the names of the current and former presidents of the country have surfaced in a drug trafficking trial in the United States. A national dialogue facilitated by the United Nations in 2018 resulted in partial electoral changes. Reforms include new voter identification cards, a new electoral authority inclusive of former president Mel Zelaya’s party and a new electoral court of justice, which lacks regulations for settling electoral disputes. National election observers are calling for legislative approval of complete reforms amid fears of a repeat of the 2017 election. NDI is currently working to develop bridges among a network of national election monitors, journalists, corruption watchdogs, the private sector and political parties with the electoral authority to prevent or mitigate the potential for election-related conflict and violence.

Election observers in cooperation with independent media and electoral authorities need to continue to develop techniques to respond more effectively to [newer challenges to electoral integrity](#). The challenges include the growing reach of disinformation spread through social media to advance political goals, and hacking for political espionage and even sabotage of electoral information systems. NDI has worked with civil society and electoral authorities in Colombia, Ecuador and Mexico to help identify, track and counter disinformation. NDI is also working with civic groups in El Salvador and Mexico to monitor online electoral and political violence against women candidates.

Support for democratic elections is both a matter of respect for sovereign people’s political rights and a matter of regional and international peace and stability. The United States and the broader international community need to promote electoral integrity by building national capacities and supporting international election observation, which complements national actors’ efforts. As called for by NDI, at least “[three principles](#) need to be reinforced in all electoral assistance to ensure that elections can resolve the competition for office peacefully and accurately reflect the will of the people, including inclusiveness, transparency and accountability.”

Endemic Corruption

The Northern Triangle countries of El Salvador, Guatemala and Honduras are combating chronic problems of widespread violence and crime, corrupt elites linked to criminal networks and impunity from the law by public officials. Together with the lack of economic opportunity, deep social inequality and the corrosive impact of unresponsive political institutions, these challenges help fuel migration and undermine democracy. The COVID-19 pandemic has further increased pressure on already fragile democratic institutions and underscored the need for transparency, oversight and safeguarding fundamental democratic rights.

In this respect, [Northern Triangle countries have seen a surge in corruption allegations emerging from government pandemic spending](#). In Guatemala, social unrest broke out as Congress rushed through the 2021 national budget. The bill cut health care, education, malnutrition aid, the justice sector and the human rights ombudsman. Against the pandemic's backdrop and the destruction of hurricanes Iota and Eta, the demonstrations that ensued underscored pent-up rejection of government attempts to stall naming members of the Supreme and Appeals Courts, control the selection of the Constitutional Court and generally roll back anti-corruption efforts. Under popular pressure, Congress backtracked and did not forward the budget bill to the executive.

Similarly, Honduran courts dismissed a case against two dozen legislators connected to a vast corruption scheme to embezzle public funds for political ends, which was uncovered by the former OAS Mission to Support the Fight Against Corruption and Impunity in Honduras (MACCIH). Last year, President Juan Orlando Hernández did not renew MACCIH's mandate. In El Salvador, the government has disregarded rulings from the Supreme Court over the constitutionality of COVID-19 quarantine policies and espoused anti-media rhetoric for reporting on corruption in government contracts. The legislative elections resulted in the president's party achieving a super majority in the Legislative Assembly, and ultimately allowing for the control of all selection processes for public officials, including judges to the high courts and national prosecutors central to the fight against corruption.

According to a [Wilson Center report on U.S. foreign aid in Central America from 2014 to 2019](#), “the most important contributing factor to limited growth and social progress in the Northern Triangle is resistance to anti-corruption and good governance reforms by a small but powerful set of political and economic actors with a deep stake in maintaining the status quo.” In all three countries, NDI's reform-minded partners inside and outside of government have advocated for political and electoral reforms and, in some cases like in Guatemala, secured political backing for government and legislative action. Reform-minded legislators have sought to improve democratic governance, advance transparency initiatives and engage citizens on public priorities. In Honduras, an inter-party anti-corruption front, created to work on legislation to facilitate MACCIH's efforts, focuses on promoting legislative openness and shedding more light on the

national budget and other key legislative actions. Additionally, an [Anticorruption Coalition](#), made up of legislators, judges, youth activists and civil society activists are working together, in collaboration with some in the private sector, to drive change in Honduras.

Much more needs to be done to support all of these efforts. Ultimately, building strong democratic institutions and fighting corruption and impunity reduces incentives for migration. **Without U.S. action in the coming years to bring greater transparency and accountability to political institutions, other measures to improve governance in El Salvador, Guatemala and Honduras in line with broader U.S. policy goals are likely to fall short.**

Growing Influence of Illiberal Actors

The deepening internal economic and social challenges facing many Latin American countries even before the COVID-19 pandemic create favorable circumstances for Russia and China to advance their interests. Since 2018, [China](#) has surpassed the United States to become the region's largest trading partner outside of Mexico. Most recently, China has used the ongoing COVID-19 pandemic to burnish its image in the region, donating over \$200 million of test kits, masks and other [medical supplies](#), and issuing high-profile announcements of plans to distribute its [Sinovac and Sinopharm vaccines](#) to almost a dozen countries in the region. However, political and civic leaders and stakeholders in some countries are beginning to show an appreciation for the risks of uncritical Chinese engagement. In Ecuador, corruption scandals surrounding Chinese involvement in the Coca Codo Sinclair dam and the country's oil reserves have led to convictions of senior government officials. In Chile, a Chinese company's takeover of the electric utility spurred a bipartisan effort to restrict strategic acquisitions by state-owned foreign companies.

Russia is one of Venezuela's staunchest allies. The Russian government provides economic and military support, allowing Moscow a useful platform to expand its influence in the region. Cuba is also a primary supporter of the Maduro regime. Like China, Cuba is exploiting the COVID-19 pandemic to reinvigorate its medical outreach in the region. In Nicaragua, the Russian government provides tanks, weapons and troops, and has built a [joint counter narcotics training center](#), attempting to mirror similar United States training support in Central America.

NDI is working to build regional networks with the capacity to monitor investments and agreements, and detect irregularities and disrupt information manipulation. In Latin America, NDI has identified environmental and Indigenous networks that are promoting transparency and compliance with national laws. Democracy should deliver in favor of social and economic development, security and justice. **Programs that work with independent journalists, civil society watchdog groups and legislatures to raise awareness and shine light on harmful aspects of foreign influences in their countries and the region deserve increased support.**

Opportunities for Strengthening Democratic Governance

The region's importance to the United States is made clear daily by deep economic and cultural ties, and shared challenges ranging from climate change to drug-trafficking to migration that require close collaboration and cooperation to address. The United States should consider the following areas of engagement that can help strengthen democratic governance in Latin America and the Caribbean:

- The Ninth Summit of the Americas provides an opportunity to revitalize regional commitment to core democratic principles and respect for human rights as consecrated in the Inter-American Democratic Charter and unanimously adopted 20 years ago. As the summit host, the United States can pursue resolutions that underscore the need to collectively safeguard human rights and free and fair elections; and promote transparency and accountability. Reaffirming these values and backing with actions will be key as illiberal countries such as Russia and China seek to expand their negative economic, political and security role in the hemisphere.
- The United States and its like-minded international and regional allies and partners can help create enabling environments for the resolution of the multiple crises in Latin America. In dealing with authoritarian regimes, the United States should use all of its available policy tools, including implementation of the groundbreaking Corporate Transparency Act passed in 2020, to end corrupt actors' ability to hide stolen funds behind anonymous shell corporations. In addition, U.S. policy in Venezuela and Nicaragua should continue to reinforce consensus agendas among opposition groups to achieve common goals.
- As is often stated, elections are an essential building block, but insufficient condition for sustainable democracy. In [NDI's experience](#), "corrupt political dynamics are precursors to flawed elections and serve as catalysts for instability." Therefore, U.S., international and regional engagement must not start or end on election day. Support for improved democratic governance in between elections is a necessary investment to promote a more stable environment that serves countries' interests in the region, and ultimately U.S. foreign policy and national security goals.
- Sustained U.S. democracy assistance in Northern Central America is necessary to improve governance, transparency and accountability, all essential elements for development and security goals to be advanced. Accountability initiatives can only

succeed when there is both internal and external support. The United States should provide strong backing to reformers both inside and outside of government. Finally, Central Americans' strong desire is for U.S. foreign policy to consider the whole subregion, including inter-linked neighboring countries outside of the Northern Triangle.

- Authoritarian governments are finding more sophisticated and illiberal uses of technologies to surveil, subvert and control their citizens. A united effort among democracies has made some progress to ensure new technologies are used to support freedom and human rights. The United States should promote [the integrity of the underlying information space](#) so authentic communications underpin the legitimacy and resilience of democracies around the world.

Chairman Menendez, Ranking Member Risch, and members of the Committee, thank you again for the opportunity to testify and I look forward to your questions.