
With Fidel Castro Stepping Down, What is Next for Cuba and the Western Hemisphere?

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We live in a hemisphere characterized by dynamic, positive change. Democracy, free markets, and economic integration have unleashed powerful popular forces. The elected governments of the Americas are working to translate these forces into tangible benefits for its people by:

- Expanding economic opportunity and reducing poverty
- Connecting national infrastructures, integrating electricity grids and energy market
- Collaborating on alternative energy sources

This story of positive change has an underlying theme: dialogue and engagement between countries, and broad recognition that we must address our differences but also appreciate the commonalities that bind us together. So it is no coincidence that the success stories of our region are increasingly products of cooperation and collaboration, and vibrant multilateralism.

We see the Americas on the cutting edge of transformational political and economic change in the world. This is a region that has completed the first and most dramatic stage of political change. It has moved largely from authoritarian governments to democratically-elected governments. It has moved from closed economies to open economies that rely on trade to link to globalized markets. It is a region that now faces the next generation of transformational challenges, which are in some ways more persistent and more difficult to overcome. The key is finding a way to enable democracy to address the dramatic social obstacles this region faces, especially poverty, inequality, and marginalization. Our community calls for a renewed and sustainable strategy of engagement, which our policy is designed to achieve.

U.S. policy in the Americas is designed to help our partners meet the next generation of transformational challenges and show that, at the end of the day, democracy can deliver the goods. The focus of our policy is fourfold:

- First, to consolidate democracy and the democratic gains of the past. This includes broadening participation in the democratic system to assure that ordinary citizens have a role in the political process.
- Second, to promote prosperity and economic opportunity in the region.
- Third, to invest in people, because we recognize that economic opportunity without individual capacity to take advantage of that opportunity is meaningless to the vast numbers of the poor and vulnerable in Latin America and the Caribbean.
- Fourth, to protect the security of democratic states.

We have taken a bipartisan approach to implementing our strategy, and with the help of the U.S. Congress have made considerable progress in the right direction. We have renewed bilateral and multilateral engagement and have re-focused assets for greatest impact. We continue to seek a balanced approach to our foreign assistance programs to advance democratic, economic, social, and security goals. Since 2001, we have spent over \$7.5 billion in development programs, including alternative development

funded out of the Adeal Counterdrug Initiative (ACI) (now entitled the African Caribbean and Pacific (ACP)), and about \$4.5 billion in security programs, including remaining ACI programs. If our fiscal year (FY) 2009 request is approved, development programs since 2001 will top \$8.5 billion and security programs will reach approximately \$6.7 billion, including \$1.1 billion for Merida, for a total of over \$14 billion.

Consolidating Democracy

The U.S. is committed to fostering democratic governance and protecting fundamental rights and liberties in the Americas. Working multilaterally through the Organization of American States (OAS) and other institutions in the Inter-American system, we are helping our partners in the Americas respond to poverty, inequality, and marginalization. With our support and funding, the OAS is working to strengthen its capacity to help the Americas' elected governments respond to the challenges of democratic governance and honor the region's shared commitments under the Inter-American Democratic Charter. We are supporting the work of those building broader based political parties that incorporate communities which have traditionally been marginalized. We also continue our support to OAS' Electoral Observation Missions and our efforts to deepen inter-regional pro-democracy cooperation between the OAS and the African Union.

Working bilaterally, we support all sectors to strengthen Haiti's democracy and promote long-term development. The U.S. remains Haiti's largest bilateral donor, with a foreign assistance request of more than \$245 million in FY 2009. Programmed in close coordination with the Government of Haiti and other international donors, our aid focuses on governance and the rule of law, elections, security, economic growth, and critical humanitarian needs. With reduced inflation, increased gross domestic product (GDP), and a shift from peace building to peace keeping, it is clear that the benefits of democracy are taking hold.

Our FY 2009 foreign assistance request of \$20 million for Cuba is consistent with recommendations in the second Commission for Assistance to a Free Cuba (CAFC) report. Since the formation of CAFC, Economic Support Funds (ESF) to Cuba jumped to over \$21 million in FY 2004 and an estimated \$45 million in FY 2008. This assistance is key to helping the democratic opposition and civil society promote the dialogue needed for a successful transition to democracy. The United States reaffirms the belief that the Cuban people have an inalienable right to participate in an open and comprehensive dialogue about their country's future, free of fear and repression, and to choose their leaders in democratic elections. We reiterate Secretary Rice's February 24, 2008 message regarding our support of the Cuban people in their efforts to obtain "the fundamental rights and liberties expressed in the *United Nations Universal Declaration of Human Rights* and the *Inter-American Democratic Charter*." We continue to urge the Cuban government to begin a peaceful transition to democracy and encourage international partners to help the Cuban people bring about positive change.

Promoting Prosperity

One of the biggest challenges facing democracies in the Americas is delivering the benefits of free markets, trade, and economic integration. With total GDP on the rise in Latin America and the Caribbean from \$1.7 trillion in 2002 to \$3.4 trillion in 2007, and the number of people living in poverty decreasing from 44 percent in 2002 to approximately 35 percent in 2007, we are seeing improvements. With the successful reduction in the cost of sending money to the region, remittances have nearly doubled since 2002 to more than \$60 billion per year, with more than 75 percent coming from the U.S.

To help sustain these gains over the long term, the U.S. is helping create economic opportunity in the Americas through our free trade agenda, which now includes countries accounting for two-thirds of the gross domestic product of the hemisphere. With the conclusion of ten free trade agreements,

we have built a chain that stretches along the Pacific coast of the Americas from Canada to Chile. We strongly urge Congress to approve the pending free trade agreements with Colombia and Panama to bring two strategically and economically significant allies into the network of U.S. free trade agreements (FTAs).

Helping Central America and the Dominican Republic reap the benefits of their FTA remains an important priority and is reflected in our FY 2009 request for bilateral programs and \$40 million in regional labor and environment programs. The participation of four hemisphere partners who emphasize free trade, Canada, Chile, Mexico and Peru, in the Asia-Pacific Economic Cooperation (APEC) Summit is another positive demonstration of the economic importance of the Americas in the world market. We expect the Americas' participation in APEC to continue to expand, as Colombia and Ecuador are also seeking membership.

The Millennium Challenge Corporation (MCC) helps reinforce our efforts in eliminating corruption, promoting transparency, improving healthcare and education, and connecting people to markets through complementary programs. The MCC has signed compacts totaling more than \$850 million with El Salvador, Honduras, and Nicaragua. It has also signed more than \$77 million in threshold agreements with Guyana, Paraguay, and Peru. We continue to target our foreign assistance to supplement and leverage MCC efforts.

The U.S. is also addressing the challenges of energy cost, diversity, and availability in the hemisphere through the development of global and regional markets for ethanol and bio-diesel. The goal is to develop a promising new source of local fuels that will promote energy security and sustainable development, especially in Central America and the Caribbean.

Investing in People

The United States is helping to unlock the vast potential of the peoples of the Americas by working with our partners to invest in people through improved education and training, health care, access to capital, economic infrastructure, and security for their families and property. We are making progress in this area through combined efforts.

Since 2001, we have funded more than 7,000 professional exchanges, including citizen exchanges, International Visitor Leadership Program (IVLP) and the Voluntary Visitor program; and over 700 youth program participants, including College Horizons, the Martin Luther King Fellows program, and Youth Ambassadors. During the same period, we funded more than 7,500 Fulbright students, teachers and scholars from the region to study and research in the U.S. The U.S. has committed to provide \$75 million for the President's Partnership for Latin American Youth. The Partnership will help provide thousands of students in the hemisphere with new opportunities for English language training, home country and U.S.-based study, scholarships, and skills development to improve students' ability to gain employment.

Additionally, we have spent more than \$1.5 billion in foreign assistance on health programs [Child Survival and Health (CSH) and global human immuno virus and acquired immune-deficiency syndrome (HIV/AIDS) Initiative (GHAI)] since 2001. We also witnessed the USNS COMFORT contribute to improving healthcare in the region during a four-month deployment during which it visited twelve countries and treated nearly 100,000 patients. Since 2001, the Peace Corps has spent an average of \$44 million per year in the region and provided an average of more than 2,200 volunteers to the hemisphere to advance world peace and friendship.

Protecting the Democratic State

In recent years, we have worked with our partners in the hemisphere to transform the security agenda for the region and forge a consensus on the vital link between security and prosperity. We are

confronting nontraditional threats such as organized crime, terrorism, drug trafficking, gangs, natural disasters, and pandemics. By protecting the people of the Americas, we strengthen democracy, promote social justice, and create a secure space for citizens and states to pursue economic prosperity.

The Merida Initiative will establish a new paradigm for regional security cooperation with Mexico and Central America. The goal of the Merida Initiative is to strengthen state institutions in the region and to reinforce regional cooperation. A goal to break the power and impunity of criminal organizations that intimidate state institutions, threaten Mexican and Central American governments' abilities to maintain public security and the rule of law, and pose a hazard to the safety and security of the U.S. Funds are divided among three "pillars" of activities:

- Counternarcotics, counterterrorism, and border security
- Public security and law enforcement
- Institution building and rule of law

The Central America portion of the Initiative seeks to directly respond to needs identified by Central American governments at the inaugural U.S. and Central American Integration System (SICA) Dialogue on Security last year. The Merida Initiative is a vital extension of our regional approach to combating the threats of drug trafficking, transnational crime, and terrorism that undermine security and builds upon successes gained to date.

The Security and Prosperity Partnership (SPP) with Canada and Mexico has been a key component to our regional security strategy. The SPP includes provisions to coordinate border policies, promote trade facilitation, encourage regulatory cooperation and prepare for possible pandemics in North America.

We have made great advances in our efforts to combat illicit narcotics cultivation and trafficking and to promote licit economic and social development in Colombia. We have included a FY 2009 request of just under \$543 million to continue our support in Colombia and build upon progress made so far. Colombia's U.S. governments-supported aerial and manual eradication programs continue to halt the rapid growth in coca cultivation with a decline of over seven percent between 2001 and 2006 (from 169,800 to 157,200 hectares). The estimated potential cocaine production over the same period declined 35 percent, from 839 MT to 545 MT, reflecting the impact of eradication programs on crop yield rates. Additionally, the Government of Colombia estimates that over 45,000 people have demobilized since 2002 (14,000 under the individual desertion program and over 31,000 paramilitary under the collective program), and Colombia's justice system officially completed its conversion to an oral accusatorial system similar to that of the U.S. in January 2008. This new system has allowed new criminal cases to be resolved in months instead of years, and conviction rates have risen from less than three percent to over sixty percent. We will also continue support for refugees and internally displaced persons.

Colombia has made significant progress in reducing the level of violence in recent years, including violence against trade unionists. Since 2002, kidnappings are down 83 percent, homicides are down 40 percent, and terrorist attacks are down 76 percent. Homicides of trade unionists declined by 79 percent between 2002 and 2007, and as of 2007 the homicide rate for trade unionists is less than one-quarter the rate for the general population. The number of homicides of trade unionists has declined over the same period that the number of trade unionists enrolled in the Ministry of Interior and Justice's (MOIJ) protection program has increased. Already, more than 9,400 individuals, nearly one-fifth of whom are trade unionists, are taking advantage of this protection. Last year, the program successfully protected every union member who chose to enroll.

The *Andean Trade Promotion and Drug Eradication Act* (ATPDEA) (expanded from the Andean Trade Preference Act in 2002) has also contributed significantly to export diversification in beneficiary countries and strengthened the legitimate economies of the region as an alternative to narcotics production. We are working with Congress to approve the Colombia FTA and join the Peru FTA in establishing permanent reciprocal trade relations with two ATPDEA beneficiaries. We have concerns about the actions of the other two beneficiaries, Bolivia and Ecuador, including with respect to the treatment of U.S. investors. We will use the short-term extension of ATPDEA that the President signed into law last week to engage Congress and these governments in discussions regarding their continued eligibility under this program.

The U.S. bipartisan commitment to our partnership with the Americas has been reinforced through the Summit of the Americas process. Summits have helped lay the groundwork of the pillars of U.S. policy toward the region, consolidating democracy, promoting prosperity, investing in people to advance social justice, and protecting the democratic state through concrete programs in these areas. The United States looks forward to building upon these commitments with our hemispheric partners as we begin negotiations for the Fifth Summit of the Americas in Trinidad and Tobago in early 2009. Looking forward to the Fifth Summit, we must develop together concrete, measurable goals and demonstrate to the people of our countries how the Summit process positively affects their lives.

The President has reaffirmed his commitment to furthering political, economic, and social advancement in the Americas through 12 trips to the region – more than any other U.S. President. Cabinet level visits have totaled more than 70 in the last two years and there have been more than 100 Congressional delegations since 2001. Together, through our bipartisan efforts, we will link democracy with development, generate broad-based growth through free trade and sound economic policies, invest in the well-being of people from all walks of life, and make democracy serve every citizen more effectively and justly.