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BEFORE
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Mr. Chairman and Members of the Committee:

Thank you for the opportunity to talk about U.S. Policy in the Americas. I am just back from a six-nation trip to Latin America with Secretary Clinton, where we had the chance to meet with over a dozen heads of state, and many leaders in civil society and the private sector, and talk about our highest priorities and responsibilities. We were particularly moved by the eloquent words of President-elect Mujica who in his inaugural address outlined a bold vision of progress for Uruguay and a powerful defense of democratic values and institutions, including the respect for opposition parties and the value of dialogue and compromise in public affairs. So this is a particularly welcome opportunity to take stock of where we are and, more importantly, where we want to go in our relations with the countries of the Americas. It is very important, at the outset, to recognize how much our growing interdependence makes the success of our neighbors a compelling U.S. national security interest. Advancing that interest is a fundamental goal of our engagement in the Americas.

In 1961 the Alliance for Progress captured the imagination of the Americas with a bold shared vision. We live in a very different world at the beginning of the 21st century. With few exceptions, the countries of the region are much more inclusive, prosperous, and democratic. But, today, much of what we must help accomplish in this hemisphere also hinges on the power of a shared vision: a vision of an Inter-American community with shared values, shared challenges, a shared history and, most importantly, shared responsibility. Advancing that vision will require sustained, informed, creative, and competent engagement. That engagement must be sophisticated and variegated. We speak, accurately, of a “region,” and of big unifying agendas, but we know at the same time that our community comprises profoundly diverse nations and sub-regions. To be successful, our approach must be able to disaggregate when necessary.

Our challenge is to carefully use our diplomatic and development tools, and our limited resources, to optimal effect. We need to help catalyze networks of practical partnerships, among all capable stakeholders in the Americas, focused on three priorities critical to people in every country of this region: promoting social and economic opportunity for everyone; ensuring the safety of all of our citizens; and strengthening effective institutions of democratic governance, respect for human rights, and accountability. Across all of these priorities, I want to emphasize, we are also working on practical initiatives to advance us toward a secure, clean energy future.

There is a strong element of community in the Americas today, and it will only get stronger with time. That feeling was nowhere more evident than in the extraordinary outpouring of support and assistance to the people of Haiti following the devastating earthquake there. Or in the region's unanimous feelings of solidarity with Chile after it, too, was hit by one of the biggest earthquakes the world has ever experienced.

Haiti is a special case. Shortly after taking office, well before the earthquake, President Obama and Secretary Clinton emphasized their personal commitment to helping Haiti break the cycles of poverty and poor government that have crippled its development. We have reaffirmed our commitment in the aftermath of the earthquake. You know the extent of the damage, the loss of life, and the urgent need. The Government of Haiti faces daunting tasks. Meeting them will require a sustained and substantial commitment from the international community, in support of the Government and people of Haiti as they define what their future should look like. On March 4, the United States and United Nations announced, that in cooperation with the Government of Haiti, and with the support of Brazil, Canada, the European Union, France, and Spain they will co-host a ministerial -- the *International Donors' Conference Toward a New Future for Haiti* -- at the United Nations in New York on March 31, 2010. The goal of the conference is to mobilize international support for Haiti's development needs and to begin to lay the foundation for Haiti's long-term recovery.

We in the Americas are joined together by many intersecting and overlapping interests, needs, and affinities. We share the common, though sometimes contentious, history of the Americas, developing from diverse European colonization, displacement of indigenous peoples, forced African immigration, assimilation of later immigrant groups, and the gradual coalescence of adaptable new societies. The populations of our countries reflect a particularly rich and

largely harmonious racial and cultural diversity that differentiates this hemisphere from large parts of Europe, Asia, and Africa.

We share a common history of independence movements inspired by the human ideals of the enlightenment, followed by the long and difficult processes by which our peoples have struggled to build the just, free, inclusive, and successful societies envisioned by our founding fathers. Many of our nations have followed policies in the past that have hindered this process, as when the United States put Cold War priorities ahead of democratization in the region.

Today, however, fundamental values of democracy, respect for human rights, accountability, tolerance, and pluralism are increasingly ingraining themselves into practice throughout the Americas. So many of the Americas' leading democracies have recently gone through, or are preparing for, peaceful electoral transfers of power. Alternation in power, increasingly effective institutions, responsible fiscal policies, open trade policies, and greater accountability—exemplified by such countries as Brazil, Chile, Colombia, Costa Rica, Peru, Uruguay, and El Salvador—embody the hemispheric reality. The significance of this trend cannot be overstated.

Our common legacy, our shared values, and the nature of today's global challenges must underpin a new and converging agenda for cooperation that helps unite diverse peoples and governments around a shared task: building stable, safe, inclusive societies that are supported by effective and legitimate institutions of governance. This agenda should also protect our diversity through tolerance and pluralism as a key factor in our region's success and competitiveness in a globalized economy. Energy security and global climate change are crucial issues for our partners and us and offer opportunities for deeper collaboration.

Our broad common agenda, not individual differences or outliers, should define our interaction in the Americas. I know some governments in the region will not embrace this approach, will do so only very selectively, or will seek to undermine this common cause. Working together with others, we need to be clear-eyed and proactive in countering efforts to undermine our common agenda. These can include attempts to expand authoritarian or populist rule at the expense of effective democratic governance based on the rule of law and representative government. They can also include the ill-conceived embrace of dangerous or problematic external actors.

We are concerned about the persistent erosion of democratic institutions and fundamental freedoms in several countries, particularly freedom of the press. These freedoms reflect the regional consensus and are enshrined in fundamental instruments of the Inter-American system. The recent Inter-American Human Rights Commission report on Venezuela was a complete and dispassionate review of the current state of affairs, and it represents an opportunity for Venezuela's government to begin a dialogue internally and with the hemispheric community.

In Cuba, we want to promote respect for human rights and fundamental freedoms. We have taken measures to increase contact between separated families and to promote the free flow of information to, from, and within Cuba. We have engaged the Cuban government on key bilateral matters like migration and direct mail service and will continue to engage Cuba to advance U.S. national interests, as in our effort to respond to the humanitarian crisis in Haiti. We remain deeply concerned by the poor human rights situation in Cuba, which contributed to the recent death of prisoner of conscience Orlando Zapata as a result of a hunger strike. We are also focused on securing the release of the U.S. citizen jailed in Cuba in December; a matter of great importance to the United States.

Our response to the coup d'état in Honduras shows that our interests are served by leveraging multilateral mechanisms, in concert with our partners, to support the implementation of principled policies. In Honduras we helped to strengthen the "collective defense of democracy" as a cornerstone of the Inter-American System. Today, Honduras is governed by elected leaders who are moving quickly to promote national reconciliation and their country's return to the fold of hemispheric democracies. As Honduras moves forward, we will continue to maintain a vigilant eye on the human rights situation there in light of serious concerns that have been raised.

To help advance our national interests, as reflected in the broad common agenda I outlined, the President has submitted an FY 2011 request for foreign assistance in the region that reflects a continuing shift toward greater economic and development assistance, over traditional security assistance. Specifically, of the total FY 2011 request, 62 percent is economic and development assistance, versus only 50 percent in the FY 2009 and FY 2010 enacted levels.

This does not mean we face a diminished threat to our national security from transnational crime and other menaces. These include the global drug trade, the largest criminal industry in the world, involving every country in the region. Nor does it mean we are shying away from doing our utmost to safeguard the security

of our citizens and citizens throughout the region. Instead, our request recognizes the critical importance of strong institutions, broad economic opportunity, and social inclusion in building resilient societies that can protect people from threats to their safety. For example, the request includes specific funding for innovative regional initiatives reflecting our commitment to shared prosperity and a sustainable future —such as the Inter-American Social Protection Network and the Energy and Climate Partnership of the Americas.

Our request also reflects our continued commitment to key hemispheric citizen safety initiatives including the Merida Initiative, our programs in Colombia, the Caribbean Basin Security Initiative, and the Central America Regional Security Initiative. The security challenges in the region are profoundly interconnected. Our initiatives are grounded in a common strategic vision and coordinated internally and with the interagency to ensure comprehensive and coherent planning and implementation. While these initiatives are mutually reinforcing, sharing broad objectives and some key activities, they vary considerably in size, level of U.S. support, complexity, and level of development. The combination of a common strategic approach and distinct, but interlocking, regional initiatives provides the necessary unity of effort as well as the flexibility necessary to help address unique circumstances that vary by country or sub-region.

The evolving mix of our assistance is also a function of successful partnerships – such as those with Colombia and Mexico – that have enabled others to assume an increasing share of responsibility for their own citizens’ safety. It is also a function of the leadership of many Members of this committee, and the administration’s clear understanding of the connection between major security challenges and a combination of weak institutions, social exclusion, and lack of economic opportunity that plague many societies.

Earlier I referred to three priorities critical to people throughout the Americas. They are mutually reinforcing, and they inform and influence our diplomatic and development policy throughout the Americas, so I would like to expand upon them in that context.

Opportunity

Through social and economic partnerships with governments, civil society, and the private sector we can leverage investments in people and infrastructure to make societies more competitive in the world and inclusive at home. Our public diplomacy initiatives—scholarships, exchange programs, in-country language programs, other activities through our bi-national centers—advance these goals,

bringing huge return on our investment. We are now exploring the potential to significantly expand such programs. The inclusion into the economic mainstream of traditionally marginalized groups is crucial to economic growth.

The Pathways to Prosperity initiative, which we have re-cast as a strategic platform for promoting sustainable development, trade capacity building and regional competitiveness, is also key to promoting more equitable economic growth. The initiative, which includes those countries in the hemisphere that are committed to trade and market economies, comprises a number of programs to help ensure that the benefits of trade and economic growth are equitably shared among all sectors of society. Despite its macroeconomic growth, poverty and income inequality remain key challenges in this hemisphere. Pathways countries share a commitment to promote a more inclusive prosperity and responsive democratic institutions.

Countries throughout the Americas have experience, creativity and talent to address these challenges and through Pathways we are working with partners to help exchange information and share best practices to benefit all. Secretary Clinton participated in the Pathways ministerial last week and cited a number of areas that we have identified for cooperation under Pathways. These include the creation of small business development centers; support for women entrepreneurs; modernizing customs procedures; expanded opportunities for English and Spanish language instruction; helping small and medium sized enterprises decrease their carbon footprint; and promoting the use of secured transaction to help small businesses better access capital.

We are also working with partners in the Western Hemisphere to fight poverty through the Inter-American Social Protection Network, which our leaders committed to support at the Summit of the Americas in Trinidad and Tobago last April. The launch of the Network in New York City in September 2009 was important—demonstrating the commitment of governments and citizens throughout the Americas to helping each other achieves social justice in creative and innovative ways. Examples of innovative social protection strategies include Conditional Cash Transfers (CCTs) – a simple idea linking responsibility with opportunity.

We will continue to work closely with partner nations such as Canada in promoting greater opportunity in the region. Canada's major development commitment to Haiti – both before and after the earthquake – as well as their

programs in the Caribbean, Bolivia, Honduras, and Peru, are effective multipliers to our own efforts.

We are also in serious discussion with other nations, such as Spain, and the EU, who provide substantial development assistance in the Americas. In particular, we see important opportunities to more effectively coordinate our programs in Central America, bilaterally and through SICA. When I met in Madrid with my Spanish counterparts last month we agreed to move quickly to assess and take advantage of these opportunities.

It is very important to address too our pending free trade agreements with Colombia and Panama. These accords are important components of economic engagement with the Americas. As the President has made clear, we remain committed to working with both Panama and Colombia to address outstanding issues, including concerns voiced by Members of Congress and other critical stakeholders. We are confident that together we can advance our interests and values through these agreements and our deep and diverse relationships with both Panama and Colombia.

Sustaining the opportunity generated by economic growth requires vastly enhanced cooperation on energy and climate change. The Energy and Climate Partnership of the Americas helps achieve this. The State Department is working together with the Department of Energy to lead U.S. efforts under the Partnership, and we and other governments in the region (Brazil, Chile, Colombia, Costa Rica, Mexico, and Peru) have developed initiatives focused on energy efficiency, renewable energy, infrastructure, energy poverty, and cleaner fossil fuels. Secretary of Energy Steven Chu will host an ECPA Ministerial April 15-16 in Washington, with Secretary Clinton's participation. There, we will further existing ECPA initiative and identifying new ones. We are excited about the countless opportunities for cooperation under ECPA.

Scientific partnerships in our Hemisphere also hold the promise of opportunity. Economic growth, promoting security and unleashing the potential of developing countries are inextricable from the sustainable development of our common resources and building our capacity for innovation.

The number of researchers in the workforce, doctoral degrees awarded and research and development expenditures in Latin America are well below that of OECD countries. Even so, scientific publications and patent applications have increased steadily in the region particularly in Argentina, Brazil, Chile, Mexico

and Uruguay. It is vital that we encourage this continued growth and use international scientific cooperation as the way to build further capacity.

Increased cooperation in science addresses key development goals for the countries in the region, but also directly benefits the U.S. economy. The countries of Latin America and the Caribbean not only look to the U.S. for leadership in S&T activities, but we are their largest trading partners, their largest source of foreign direct investment, and our universities are the destination of many of the best and brightest Latin American students. Investing in S&T cooperation with Latin America today will strengthen our U.S. universities and research institutions, but as we look past the immediate financial crisis, will help position American companies in the innovative industries of the future, ranging from clean energy to biotechnology. Bringing prosperity and economic growth to some of our strongest trading partners will also have a positive impact for traditional U.S. exporters.

Citizen Safety

Citizen Safety encompasses a similarly multi-dimensional set of partnerships that broker cooperation and institution building to fight transnational crime and assure a secure daily existence for individuals throughout the Inter-American community. To get sustained buy-in, it is vital that our security partnerships be understood by publics as *responsive* to the very local insecurity they face (crime, human trafficking, drug addiction, and poor environment, lack of reliable energy or clean water), and not simply a means of securing the United States regardless of the cost to others.

Strong public diplomacy has a vital tactical role in building wider awareness of the ways these jointly developed partnerships for example, with Colombia, Peru, Mexico, Central America, and the Caribbean address shared concerns, strengthen institutions, and help build resilient communities in which people can thrive.

Our diplomacy must also emphasize to publics all we do domestically to live up to our responsibility to address some of the key factors of transnational crime, including demand for drugs, and illicit traffic in firearms and bulk cash.

A variety of security partnerships in the region, the Merida Initiative, the Central American Regional Security Initiative (CARSI), and the Caribbean Basin Security Initiative (CBSI), seek to strengthen partners' ability to fight transnational crime, protect citizens, and prevent the spread of illicit goods and violence to the United States. In the process these partnerships are transforming relationships,

brokering growing cooperation and trust between those countries and the United States, and between the partner nations themselves.

The U.S. and Mexico have forged a strong partnership to enhance citizen safety and fight organized crime and drug trafficking organizations. In 2009, the United States and Mexico agreed to new goals to broaden and deepen the cooperation between the two countries. These include expanding the border focus beyond interdiction of contraband to include facilitating legitimate trade and travel; cooperating to build strong communities resilient to the corrupting influence of organized crime; disrupting organized crime; and institutionalizing reforms to sustain the rule of law and respect for human rights;

The Caribbean Basin Security Initiative (CBSI) seeks to substantially reduce illicit trafficking, increase safety for our people, and promote social justice. More than a series of programs, this partnership will be an ongoing collaboration that draws upon, and helps develop, the capacity of all to better address common and inter-related challenges. Partnership activities will be designed in a manner that maximizes synergies with other regional efforts (e.g. Merida). Under CBSI we will jointly seek the greatest possible support from extra-regional partners in pursuit of key objectives.

The Central American Regional Security Initiative (CARSI), in coordination with Merida Initiative and CBSI, strengthens and integrates security efforts from the U.S. Southwest border to Panama, including the littoral waters of the Caribbean. The desired end-state is a safer and more secure hemisphere—in which the U.S., too, is protected from spread of illicit drugs, violence, and transnational threats. CARSI recognizes a sequenced approach to resolving the challenges, consisting of: the immediate need to address the rapidly deteriorating security environment; the medium-term requirement to augment civilian law enforcement and security entities the capabilities to reestablish control and exert the rule of law; and the long-term necessity to strengthen the justice sector and other state institutions.

In the Andes, it remains in our national interest to help the Colombian people achieve the lasting and just peace they want, making irreversible the gains they have sacrificed so hard to achieve. Colombia has made major progress reducing violence and kidnappings, improving human rights, expanding the rule of law, and advancing the country's social and economic development. Important challenges remain including in the area of human rights. We will continue to work closely with the Colombian government to promote respect for human rights,

ensure access to justice, and end impunity. We will also continue to collaborate with Colombia to prevent and respond to the disturbingly high rates of internal displacement. The Colombia Strategic Development Initiative (CSDI) is our plan to support the government of Colombia's "National Consolidation Plan." CSDI is a whole-of-government approach that integrates civilian institution-building, rule of law, and alternative development programs with security and counternarcotics efforts.

In Colombia, Mexico, and elsewhere in the region the Secretary has emphasized that we understand that effective and collaborative counterdrug policies must be based holistically on four key goals: demand reduction, eradication and interdiction, just implementation of the law, and public health. To be sustainable, any gains will require economic and social opportunity sufficiently strong to provide compelling alternatives to involvement in illicit drug production and trafficking.

We tend to speak of U.S. security initiatives in the region, but in reality these are overwhelmingly joint in their development increasingly plurilateral in their implementation, and multi-faceted in their impact. As countries strengthen their internal capacity to address security challenges they are forming their own partnerships with neighbors in ways that multiply the effectiveness of programs. Canada is an increasingly important and committed security partner with regional countries; Mexico and Colombia are sharing vital capacity and experience; countries such as Uruguay, Chile, and Brazil are showing notable leadership in international security initiatives such as MINUSTAH in Haiti.

Effective Democratic Governance

Capable and legitimate institutions, including a vibrant civil society, are vital to successful societies that meet their citizens' needs. Our strong support for democracy and human rights is rooted in this fundamental fact. The capacity and integrity of democratic institutions is uneven in the Americas. All our nations have a broad co-responsibility to help strengthen both. Many are, in fact, reaching beyond their national success to share experience and technical capacity in the region and beyond.

U.S. democracy programs focus on broadening citizen participation, supporting free elections and justice sector reform, developing anti-corruption initiatives and governmental transparency, supporting human rights and fostering social justice through stronger rule of law.

Strong and effective multilateral institutions in the Americas can play a vital role in strengthening effective democratic institutions. The Organization of American States (OAS), at the center of the inter-American system, has a mandate from its membership to do so.

We must work through the OAS to strengthen democratic institutions at a time in which these institutions are being seriously challenged in some countries in the region. As part of this effort, we should apply the valuable lessons of the success of the independent Inter-American Commission on Human Rights, as an impartial arbiter on human rights issues, to address critical governance issues affecting our region. We must also build the political will necessary among OAS member states to fulfill the promise of the Inter-American Democratic Charter as an effective tool in the collective defense of democracy.

Recent experience should demonstrate to us that both the Secretary General and the Permanent Council should be less hesitant to use their existing authorities under the OAS Charter and the Inter-American Democratic Charter to take preventive action in situations that may affect the viability of democratic institutions in a member state. Such actions must be undertaken with the consent of the member state involved, of course.

As an organization, the OAS can do a better job of defending and promoting democracy and human rights, consistent with our shared commitment to implement and apply the Inter-American Democratic Charter. We need more effective mechanisms for foreseeing and counteracting emerging threats to democracy before they reach the crisis stage. The SYG's 2007 Report to the Permanent Council contained some useful recommendations in this regard that warrant further examination. The 2007 Report stressed the need for a "graduated response" to brewing political crises, and called for a more comprehensive linkage of the existing mechanisms of the OAS – particularly our peer review processes -- into a coordinated response mechanism in support of Member States' democratic institutions. We would welcome a serious discussion on the operationalization of these recommendations. We need to view the Democratic Charter more as a resource states can call on when they need it and less as a punitive instrument to be feared and avoided. After all, the Democratic Charter was initially envisioned to function as a preventive toolbox in support of our region's democratic institutions.

New regional or sub-regional institutions may also be able to promote democratic integration and effective governance. The extent to which they do so may ultimately determine their usefulness, staying power, or even legitimacy in

their members' eyes. We are willing partners with new collectives that are capable instruments of this common cause.

We already work closely and successfully with many multilateral groupings of which we are not part, such as SICA and CARICOM. This engagement is about much more than just aid—it is about co-responsibility, a point Secretary Clinton highlighted during her recent trip to South and Central America. In a time of budgetary challenge in the United States, it is difficult to ask our Congress for assistance resources for countries unable to invest in social programs because they fail to collect taxes from those in their own country who should be contributing to their societies. In many countries in the region tax collection represents less than 15 percent, sometimes less than 10 percent, of GDP.

Mr. Chairman, I cannot close without reiterating here something that I have had occasion to say privately to you and some of the Members on the Subcommittee. Last April in Trinidad and Tobago President Obama asked his elected counterparts from throughout the Americas to look forward, together, toward the great tasks before us. He signaled clearly that partnership would be the leitmotif of the United States' engagement in the Americas.

That partnership is not just something we seek externally. It is something to which I commit, with you, and the other Members of the Sub-committee, as we work together to sustain smart policies that advance our national interests, and advance critical agendas we share with people all over the hemisphere. I appreciate the leadership you have shown on so many issues. I respect the wise counsel you and your staffs have provided my colleagues and me. And above all, I value the open and fluid dialogues we have maintained, even on difficult issues, since I assumed this job four months ago. I look forward to continuing this dialogue, and working with Congress to advance our positive agenda with the Americas.