THE BROOKINGS INSTITUTION

THE ROAD TO HEMISPHERIC COOPERATION: BEYOND THE CARTAGENA SUMMIT OF THE AMERICAS

Washington, D.C.
Tuesday, July 17, 2012

Introductory Remarks:

ERNESTO TALVI
Director, Latin America Initiative
The Brookings Institution

Moderator:

TED PICCONE
Senior Fellow and Deputy Director, Foreign Policy
The Brookings Institution

Panelists:

INES BUSTILLO
Director, Washington Office
United Nations Commission for Latin America and the Caribbean

KEVIN CASAS-ZAMORA
Secretary for Political Affairs
Organization of American States

JOHN FEELEY
Principal Deputy Assistant Secretary, Bureau of Western Hemisphere Affairs
U.S. Department of State

RICHARD FEINBERG
Nonresident Senior Fellow
Latin America Initiative, Foreign Policy
The Brookings Institution

* * * * *

P R O C E E D I N G S

MR. TALVI: Well, this is my first official activity as director of the Latin American Initiative, and I feel very honored to welcome you all at Brookings. Thank you for being here with us today.

Generally speaking, Latin America has been doing very well by best standards in the last six or seven years. In part, we know this is due to a very significant improvement in our micro policies, in our social policies, in improvements in our democratic processes, but I think it is only fair to acknowledge that, not in a minor part, this prosperity of the last few years has been fueled by a very favorable external environment. Very, very high commodity prices, and I think even more importantly, the capital and financial resources that were freed up by the decline in consumption and investment in the advanced economies due to the global financial crisis, have provided emerging markets with very abundant and cheap capital and financial resources that flooded not only a subset of the emerging markets, but very significantly Latin America.

I mean, since the onset of the global financial crisis, capital influx to Latin America have more than tripled, to buy property, to buy land, to buy firms, to buy stock, to buy bonds, therefore creating an asset boom, a credit boom, and domestic demand boom, and therefore relatively high levels of growth. So, incomes grew. In fact, we've started to reverse the relative decline that we had in the last 40 years *vis-à-vis*

incomes in the advanced economies. Poverty was reduced significantly as incomes grew. However, and I always like to say having a growing income because the product that you sell is now more expensive and the resources that you used to produce them are very cheap, it's not the same as having improved our ability to generate income on our own devices.

And on the latter, Latin Americans' performance has been a lot less inspiring than what we actually see. Educational failure is alarmingly high, and what do I mean by that? That close to 50 percent of 15-year-olds that are at the end of their compulsory education and one step away from the labor market, according to the PSAT scores, do not have the minimal skills that are necessary to introduce themselves productively into the labor markets. I mean, 50 percent, 1 in 2 still, even though we made marginal improvements in the quality of education.

And this has many dimensions that we are going to be covering here. I mean, first, these people are essentially unemployable by the market economy. So, they are condemned in a sense to formality or they are condemned and therefore very low productivity jobs, they are condemned to depend on government assistance, and, therefore, that's deleterious, in my view, to institutional governance because opportunistic governments can always take advantage of this large mass of people and therefore use public resources essentially to buy votes or they are condemned to a life of crime, and not surprisingly, we are not doing very

well in that dimension.

So, educational failure is still alarmingly high, educational achievement by socioeconomic context is the most unequal in the world and here we are not looking at the outcomes, we are looking at the educational achievement, and not surprisingly, the outcome is that we are still one of the more fragmented societies in the world and crime and victimization rates have increased in spite of the fact that we had a streak of very prosperous years in many, many countries. And, in fact, this should come as no surprise, as fragmentation only allows for the prosperity of a subset of the society, and, therefore, crime is one of the avenues through which part of the marginalized society can somehow share in the prosperity of the rest of the society.

And although electoral democracy has made an enormous amount of progress in the region, we cannot say the same about the rule of law, generally speaking, and civil liberties. In fact, in some cases, electoral democracy has been even used as a way to legitimize aggressions against the rule of law and the freedom of expression. So, this event is a timely reminder that there is still a lot of work to be done and that fostering inter-American cooperation, but more broadly at building more prosperous, more democratic, socially-cohesive and more humane societies.

So, to that end, we have today five outstanding panelists.

Kevin Casas is still running a little bit late. He's stuck in traffic. He will be here shortly.

So, I'm going to introduce to you the panelists. Inés Bustillo, who will be talking on the fostering culture of innovation. Inés is not only my fellow citizen; she is the director of the Washington office of the United Nations' Economic Commission for Latin America.

Then if he makes it on time, Kevin Casas-Zamora will be speaking on public security challenges in the region. MR. Zamora is the secretary for Political Affairs of the Organization of American States. He previously served as senior fellow in Foreign Policy at the Brookings Institution and he has also served as minister of National Planning and Economic Policy and second vice president of Costa Rica.

Then we have our own Ted Piccone, who will be talking about democracy and human rights. Ted is a senior fellow and deputy director of Foreign Policy at the Brookings Institution. He additionally serves as advisor of the *Club de Madrid* and has served for eight years as senior policy advisor in the Clinton administration.

And then we have two outstanding discussants, John Feeley, who is principal deputy assistant secretary for Western Hemisphere Affairs. John has focused much of his diplomatic career working on the western hemisphere both in Washington and in the region and he previously serves as the Summit of the Americas coordinator,

overseeing the preparation for Secretary Clinton's engagement in the Cartagena Summit.

And, finally, Richard Feinberg, who is a professor of international political economy at the Graduate School of International Relation and Specific Studies, University of California San Diego. He's a non-resident senior fellow here at the Brookings Institution, and has served as special assistant to President Clinton and senior director of the National Security Council's Office of the Inter-American Affairs.

So, that being said, I would like to invite Inés to do her presentation. Thank you very much.

(Applause)

MS. BUSTILLO: Thank you, Ernesto. I'd like to start by thanking Brookings for the invitation to be part of this project. It is really an honor for me to have the opportunity to contribute to this initiative and to be here this morning with such distinguished panelists. I'd also like to take the opportunity to welcome Ernesto to town and it's great to have you here.

When I was approached by Brookings, I was asked to focus on the issue of competitiveness and growth in the region and find opportunities for collaboration among the countries of the Americas and the context of the Summit of the Americas.

Of course, as we all know, competitiveness, first, there are

difficulties with the definition of what competitiveness is all about, how to measure competitiveness, but after all, competitiveness is a very broad subject and there are different factors that influence competitiveness. One can approach it from a point of view of coverage and quality of education, from the point of view of access to infrastructure, density of infrastructure, trade facilitation, rule of law, labor markets, et cetera, and all of these factors and many more have definitely a bearing on competitiveness. But one crucial factor that also has a bearing on competitiveness and sustainable growth is that of technology and innovation, a crucial topic in today's world. So, I would suggest that there's a window of opportunity in the region that allows us to move ahead in this direction, improving innovation, improving science and technology, and fostering greater competitiveness and there are important opportunities for collaboration among the countries of the Americas.

So, I will divide my presentation in three -- I will first make some brief remarks with respect to the recent economic performance. Then I will give some highlights about innovation and technology in the region and then offer some suggestions with respect to opportunities for greater collaboration among the countries of the Americas.

With respect to the recent economic performance, already, Ernesto gave a good summary of what has been happening. As we all know, growth in the region between 2003 and 2011 was the fastest growth

since the 1960s and that, as Ernesto was saying, can be explained by mostly external factors in terms of trade mostly for natural resource exporters, abundance of capital for indirect investment. Just this year, a foreign direct investment that came to the region was 10 percent of global for indirect investment, which was a record high for the region, tourism, et cetera.

Of course, there were important differences in economic performance among countries, mostly explained by the export structure in terms of trade and the links with advanced economies, although, domestic front, there was prudent macroeconomic policymaking combined with social progressive policies and some of the results in terms of poverty and income distribution were really excellent.

For example, in 2002, 44 percent in (inaudible) of poverty, the region was 44 percent. By 2011, it had declined to 30 percent. So, a tremendous improvement. And also in the case of income distribution, for the first time in about 18 countries in the region, income distribution managed to improve.

Now, having said that, there are many challenges in terms of growth and in terms of continued social progress. First of all, despite this recent growth that I was talking about, countries have had difficulties in consolidating faster economic growth. As I said, this growth performance had not been achieved in 40 years and when we compare per capita

income with other economies, it shows that the region has been less dynamic than other regions in the world.

And one key variable among several, one can mention this morning is that of productivity. Productivity rates in the region have been quite slow. In 2010, for example, productivity was only slightly higher than what it had been in 1980 in our region, whereas, for example, when we compare that indicator with that of Asian countries, we find that Asian countries' productivity in many of them tripled over that same period.

So, among the many challenges in terms of economic performance for the region is that of generating higher better growth, more sustained growth, and incorporating more knowledge into economic activities and production chains and into more value added into exports. All of this is key for sustained growth in the future.

Now, one element that we find that is crucial in order to achieve that goal is that of innovation and improving our technological content in production in the region. Now, in terms of technology and innovation, that would be my second point. Where does the region stand? And, of course, I'm talking about the region as a whole and there are vast differences among countries and, of course, within countries. The scientific and technological capabilities in Latin America are quite mixed and I would say they're important asymmetries and lags.

A few highlights. For example, when we looked at some of

the indicators such as spending in research and development as percentage of GDP, with exception of a few countries, mostly Brazil, the region is spending less than what is expected given the level of per capita income. Most of the research and scientific activities in the region are geared towards basic science and research and when we compare that with other countries more advanced technologically, that research is mostly focused on applied and experimental technologies.

Now, numbers for patent applications. Patent applications about 15 years ago in the region were more than Chinese patent applications, but since then, China and other Asian countries have more than tripled their patents and Latin American countries patent applications have remained about the same. Most of the limited resources that are being spent on science and technology come from a governmental origin and several innovation services in the region find that business spending is much lower and businesses spent very little in terms of in-house innovation activities, and mostly, the innovation is bias towards acquisition of knowledge and manufacturing.

Most of the service done in terms of why doesn't the private sector spend more on innovation and why don’t they allocate more resources to those type of activities, the results of innovation service are quite mixed, but most of the results show that the private sector finds that there is a lack of science and technology system capable of supporting

innovation efforts and there's problems with financing and of course problems with skilled human resources.

Now, another aspect that I looked into on the papers, the issue of information technologies, which nowadays is crucial for any type of improvements in technology, and once again, the results are quite mixed. Latin America and the Caribbean is regarded as an emerging region in the area of information and communication technologies access and use and countries have increased significantly their share of the numbers of Internet users and applications and have increased considerably the amount of spending in that regard. However, there are serious lags and the gap between the region and OECD countries in some areas has been widening, not closing, most particular, the gap is in terms of mobile, broadband access, which is, of course, crucial, and low broadband penetration is even more critical in the less-developed countries and there's a widening gap between urban and rural areas.

In terms of broadband, there are serious deficiencies in terms not only of access, but in quality, et cetera, and very high costs. That's something very important to tackle in the region.

Now, why I believe that, in fact, there are opportunities, and this is my third point, in terms of addressing these types of shortfalls and opportunities also for collaboration among the countries in the region.

First, when one looks at the agendas in many countries of

the region, technology and innovation and the digital agenda are coming to occupy an increasingly important place in the governmental agenda of many countries in the region and I'm talking countries that vary in size and we go from Mexico, we have Brazil, of course, El Salvador, Chile Uruguay, Colombia, Peru, Dominican Republic, throughout the region, many countries are really targeting and making innovation and technology a key priority and are very worried to advance in that arena. And there have been over the past decade important institutional reforms geared towards strengthening science and technology and innovation processes.

Now, this new strategic, institutional vision has been also accompanied by trying to identify and experiment with new and diversified policy instruments. These include technology funds, sector-specific funds, venture capital, et cetera. However, despite progress in the agendas of many countries, policies that are focused on innovation are still lacking and they are lacking, of course, adequate financial support. It remains necessary to improve planning capacity and overcome the tendency of assigning resources based on short-term assessments.

So, the domestic agenda is quite wide still and quite challenging, but in addition to that domestic agenda, the countries are pursuing, there are important opportunities for strengthening regional collaboration and innovation policies and with respect with the United States in particular, there are already very fruitful initiatives and important

collaboration is taking place in innovation between the United States and several countries in the region.

For example, just most recently, the United States and Brazil reaffirmed their commitment to science and technology and innovation in March 2002. The U.S. and Brazil signed an agreement to expand collaboration in a number of areas in innovation. Now, this is not only unique between the United States and Brazil, we find similar science and technology agreements between the U.S. with Chile, Colombia, Uruguay, just to name a few.

So, I would like to end by suggesting that this issue of innovation and fostering technology could be part of an expanded agenda in the western hemisphere, seeking to expand mutual advantages, collaboration in the Americas.

Now, I'll finish with some suggestions with respect to areas that could be expanded even further and mostly those are deepening and expanding joint initiatives and research and development projects in ICT and agriculture, green technologies. Also greater sponsoring and fostering greater collaboration and cooperation among universities focused on innovation and technology and exchanges of higher education particularly between research and higher education institutions in the field of science, technology, and environmental studies, also with particular attention to fostering the participation of women in all of these activities.

A key point where countries could share experiences and experience of the United States in this area could be extremely relevant for many countries in the region is all the support and technical assistance given to small and medium enterprises in order to boost the competitiveness of small and medium enterprises in upgrading their use of ICT to increase productivity.

And, so, finally and also in the area of SMEs, where could prove extremely useful is trying to promote alliances at the SME level, alliances between firms in Latin America and the Caribbean and in the United States, paying particular attention to the extension of SMEs to region value chains.

So, I would like to end there and looking forward to a very fruitful discussion. Thank you.

(Applause)

MR. CASAS-ZAMORA: Well, thank you very much for having me here. I'm very glad to be back and my apologies for showing up late. Those are the joys of driving all the way from Rockville in the summer.

And I'm very glad to be back and I'm very glad to see this room as full as it is. That suggests that the Latin American initiative continues to thrive now under new and I have to say very able leadership. So, congratulations, Ernesto.

And I would also like to start by saying that given the new life that I have now at the OAS, nothing that I say can be attributed to the OAS or to the member states. (Laughter) I'm sure José Luis will take good care to convey the message to secretary general.

MR. LUIS: I will.

MR. CASAS-ZAMORA: In the next 15 minutes, I would like to convey three basic messages which are, of course, laid out in a more complete way in the paper that Lucille Armiton and I wrote.

The first message is that crime problems in Latin America and in the hemisphere in general also in the Caribbean are very serious, but they are serious in more nuanced ways that most people assume. So, this kind of broad-brushed story that crime is skyrocketing everywhere in Latin America without exceptions that has been going up massively over the past couple of decades is less obvious that people seem to believe, number one.

Number two, the second message is that there are no simple or uniform solutions to crime problems in the region. This is a perfect example of H.L. Mencken's famous dictum that for every complex problem, there is a solution that is simple, clear, and wrong.

And, number three, that suppressing drug-trafficking, important as it is, ought not to be the articulating principal of a hemisphere-wide strategy against crime. I wish it was that simple.

As we will see shortly, drug-trafficking is a very important concern for a large number of countries in the region, but very often is the symptom rather than the cause, is the symptom of structural weaknesses that need to be addressed if we are to make strides against crime in the hemisphere. So, I guess character structural factors, nuanced and sensitivity to local realities is really the name of the game here.

Anyway, I'll start by giving a few ideas as to how serious the crime problem is in the region. And when I talk about "the region," I mostly talk about Latin America, though I often extrapolate some of the reflections to the Caribbean, as well.

Homicide rates, which is, of course, the most basic indicator of violence, the most widely used, it's also the most widely available, homicide rates in Latin America tell a complex story. They're generally high. There are only very few countries, I mean, less than a handful, that are below the world average. I mean, for the region as a whole, for Latin America as a whole, the average homicide rate is about three times the global average. The interesting thing is that two things happen when you take the average for the region. Both of them are significant.

I mean, the first thing is that this average for the region has hardly gone up over the past two decades. It was about 20 homicides per 100,000 people two decades ago. It's about 21, 22 now. So, this idea that homicides are going through the roof all over the region for the region

as a whole is not necessarily true. Homicides are skyrocketing in certain countries in certain places, and I can think here of Venezuela, the northern part of Central America, some parts of Mexico, not the whole of Mexico, et cetera.

So, and this is the second point. The second point is that the story when it comes to homicide in Latin America is a very heterogeneous one. I mean, the region has some of the highest homicide rates in the world, and, again, northern Central America, some Caribbean countries, Venezuela, but it also has countries such as Chile that have homicide rates comparable to those in Western Europe. So, it's a very heterogeneous picture when it comes to murder rates.

Now, when you broaden the scope and take the victimization rates, which is the percentage of people that are affected on a given year by criminal deeds, the stories are slightly different. There, it is much more homogenous. Practically every country in the region has a victimization rate of about 40 percent, which is more than twice as high as the average for industrialized countries. So, there, you have I guess a more homogenous and in some ways a more grim picture. And those victimization rates, by the way, are also very stable. They haven't changed that much over the past decade and a half or so.

Now, the really interesting story and the really disturbing side of this story in my view comes when you start scratching the surface and

start talking about the perception of violence, not the actual violence, but the fear of violence that people experience in Latin America, there, the picture is really, really disturbing because the perception of violence in Latin America is extraordinarily high by any standard and worsening. A very significant and growing percentage of population concerned crime to be the top concern in their countries. It's about 30 percent now, 27, 28 percent in the region whereas it used to be 7 or 8 percent about a decade ago.

So, there's a definite change there and a change for the worst. And the important thing being that many consequences flow from this fact that the perception of violence is getting as bad as it is, particularly political consequences. When people fear violence, they are more willing to accept authoritarian methods to deal with violence. So, the authoritarian temptation which is never far from the surface in Latin America can be easily ignited when violence becomes a major social concern as it is in Latin America.

Now, what are the roots of this? I mean, all these things that are happening regarding violence in Latin America do not happen randomly. They happen because there's a whole array of structural factors that make the region vulnerable to the kind of violence that it's experiencing.

And I'm going to mention five or six factors here, which, I

mean, I'm going to do it very quickly.

The first one is income inequality. I mean, the empirical relationship because income and equality and violence levels is very solidly established and to that extent, it's not surprising that violence levels are as high as they are in Latin America. Despite the recent progress when it comes to inequality, it continues to be by a mile the most unequal region in the world. We all know that.

Number two, the marginalization of very significant proportion of young people in the region. The (speaking Spanish) the 20 percent of the youth say between 15 and 24-year-olds that are neither studying nor working. Just to give you a figure that I find particularly telling, in Central America, that segment of the population is about 20 percent of the population, but it comprises 45 percent of the unemployed. So, that gives you a sense of how serious social conditions are in this segment of population which is obviously crucial for security purposes.

Number three, urbanization levels. I mean, this is something that is seldom mentioned in the context of Latin America. Latin America among the regions in the developing world is by far the most urbanized and violence in Latin America is overwhelming an urban phenomena. I mean, you can find rural violence in countries like Peru or Colombia, but for the most part, it's an overwhelmingly urban phenomenon and urbanization rates, again, have been empirically linked to property crimes

to homicide rates, so on and so forth.

Number four, gun proliferation. I mean, this is yet another thing which Latin America is sadly a world champion. About 20 percent of murders in Western Europe are committed with guns. In Latin America, it's over 70 percent and it's close to 80 percent in Central America. By a mile, the highest figure in the world. So, gun proliferation, some of it a grim legacy from the civil wars and the internal conflicts that have experienced in some countries in Latin America is a major concern.

And then you have, of course, organized crime. Organized crime, which as I said before and I will insist later, is a symptom of structural problems of the weakness of the state, but it's also a cost.

I mean, I don't need to insist that -- just to give you one figure, 90 percent of the cocaine that travels north to the U.S. and Canada travels through Central America and Mexico. I mean, that has implications for security, obviously, and if you take the murders that have been committed in Mexico and in Guatemala, and these two countries have made this exercise and you piece out those that are directly related to drug-trafficking, it's about half. So, half of the murders in Mexico and Guatemala over the past three, four years have been directly related to drug-trafficking.

And then you have what in many ways is what we in Spanish would call (speaking Spanish) which is law enforcement weakness. I

mean, the terrible collapse of law enforcement institutions and the relative need to build them up almost from scratch in much of the region. The weakness of police institutions and judiciaries throughout the region has many implications. One of them and a particularly crucial one is that it is that weakness and the lack of trust which by the way, I mean, levels of trust on police forces and judiciaries in Latin America are well below the levels in Sub-Saharan Africa and Asia.

One of the consequences of that is that people are very reluctant to report crimes because they don't trust law enforcement institutions. I mean, they see that exercise of reporting crime as either futile when not counterproductive. So, you can only imagine what this does for impunity. I mean, the most obvious incentive for people to commit offenses is the virtual certainty that they won't be reported to the authorities.

Now, the relative weight of all the -- I mean, it's very easy to make a list and inventory of all these factors. What is far more tricky is to know what the relative weight of all these factors is. And it so happens that the relative weight of each of these factors and the way they interact in the specific countries is very different in each country and I'll give you a couple of examples.

I mean, take two countries that when looked from the outside and when you look at the figures, one would think they are very similar, El

Salvador and Guatemala. They both have very high murder rates, they both have incredibly high victimization rates, yet, the nature of the violence in each of these countries is very different. In Guatemala, as I mentioned before, it tends to be very connected to the very prominent role that Guatemala has assumed in drug-trafficking. In the case of El Salvador, without denying the role for drug-trafficking is mostly about youth violence and youth gangs.

And some of you are probably aware of the fact that over the past couple of months or so, there has been a truce between the main youth gangs in El Salvador, and as a result of that truce, murder rates in El Salvador have plummeted. So, I give you this example to suggest that even in countries that have similarly high and similarly bad violence rates, the nature of the violence can be very, very different.

Or take Colombia. I mean, the case of Colombia, a lot of violence is connected to the presence of an irregular force that is linked to drug-trafficking and so on and so forth. But you can hardly say about Colombia the law enforcement institutions have not improved in the recent past and if you take the regional context, they are performing rather well. That's not the same by any stretch of imagination in Venezuela, which is next door, which has experienced a veritable collapse of law enforcement institutions.

So, what I'm trying to get at, and I'm not talking here about

the Southern Cone countries, for instance, where the nature of violence is totally different. I mean, you're talking there about mostly property crime in confined spaces that have high violence rates and much of it connected to local criminal organizations rather than transnational criminal organizations.

So, what I'm trying to get at is that drug-trafficking, important as it is, it's only one factor in this picture and even in countries where it is a major determinant of crime rates, the pervasive presence of the narcotics trade really compounds and reflects other structural factors that enhance the vulnerability of these countries to organized crime.

Now, in my final two or three minutes, I'll give a hint, I cannot do more, of a few things that can be done. I guess any hemisphere-wide strategy against crime, if such a thing is viable, is about tackling structural factors that generate and reproduce violence rather than simply about controlling crime and I guess the first step in any strategy is I guess about the method, is about reframing the discussion and this means in particular resisting appeals to fight crime through iron-fisted methods that seldom do any good in terms of reducing crime rates but are invariably very efficient in undermining civil rights.

The only sustainable way to succeed in the struggle against crime involves implementing effective strategies for social prevention and for furthering the commitment of our countries in the region to human

development. That, however, has to be balanced with a very acute concern for the quality of law enforcement institutions with a very intense effort to rebuild law enforcement institutions. As I mentioned before, some countries from scratch. So, to put it in a sound byte, it's about fighting crime in Latin America, it's about having zero tolerance for crime combined with zero tolerance for social exclusion in a way.

The second thing that I would very much advise is developing robust indicators. I'm not going to go into this because it would take me hours, but you'd be surprised of how feeble the empirical content of policy decisions in the security realm is in Latin America. Policy decisions in Latin America when it comes to security, in most cases, get made out of intuition rather than solid information. This is an area, by the way, that development of robust information systems and in the realm of security, this is an area in which I can see very fruitful cooperation taking place between say the U.S. and Latin America. This is something that the U.S. does very well. I mean, the empirical content here, the amount of information available about criminal behavior is simply staggering. So, this is something that is potentially a very fruitful area for cooperation.

I'm not going to go into the third point because I already mentioned it in my previous analyses, a crucial element in strategy is about improving law enforcement institutional building. This is a struggle in particular that Mexico is undergoing. I mean, this is the huge task that

President Calderon has undertaken. I mean, how to rebuild police institutions and judicial institutions in his country and it's a task that all the signs are that it will be continued by the new administration. And this is, indeed, what has the key for security in a country like Mexico.

I guess the next point would be -- and I don't have time for this -- rethinking the war on drugs, which is in its current shape wreaking havoc in Latin America. Fortunately, we're beginning to see for the first time an open discussion about the future of counternarcotic policies, an open and frank discussion and one that is being led not just by former president, not just by NGOs, not just by the press, but by the current political leadership in the region. That's the main difference and that's one of the things that emerged out of the Summit of the Americas in Cartagena and it's yet to be seen, but will come out of the discussion, but the fact that the nature and the dynamics of the discussion are changing is an extremely positive change.

And, by the way, this is not code for legalization. It may yet happen that out of that discussion we all grow convinced that legalization is not a good option. Actually, I find Vanda's piece in the book very compelling. Very compelling and it forces you to think that maybe legalization will not bring us, as many people say, only unalloyed goods.

Last but not least, any strategy is about enhancing social inclusion in the region, and here, I'm going to give one figure and with this,

I finish. That I find it extraordinarily powerful. If you take the top 30 countries according to the Human Development Index developed by the UNDP and you look at their homicide rates, the average homicide rate among those 30 countries is 1.3 murders per 100,000 people. Honduras has 82. El Salvador has 70-plus. Guatemala has 50-plus. Venezuela has 50-plus. The average for these 30 countries is 1.3. There's only 1 country, that is the U.S., among those 30 that has a homicide rate above 3 per 100,000 people. That's the real story. The rest, quite frankly, is commentary. I don't find that relationship to be random. I mean, that means something. I mean, it's the sustained commitment to human development what ultimately make societies safer.

So, this is all complex and it is expensive and it requires a certain level of institutional robustness, which means, and I'm going to mention this, it would require a much longer discussion, in order to be successful against crime, in order to have a state that is able to enforce the law, in order to have a state that is able to exert effective control over its territory, in order to have a state that is able to secure access to basic social rights, which is essential in this struggle, we need to pay taxes. We need to pay taxes. So, I guess crime in Latin America poses very fundamental questions not just about security, but about development.

So, my last line is that there is a way out of this mess, but I'm afraid it is a much more complex, much more expensive, and much

more demanding from us as citizens than we would like to admit. Thank you.

(Applause)

MR. PICCONE: Thank you, Kevin, for that very interesting and comprehensive look at the challenges of public security in the region.

I'm Ted Piccone. I'm a senior fellow here and helped organize the intellectual product that you have in front of you. I hope you grabbed a copy of the report on your way in.

As you could tell from Kevin's comments, these are really interrelated issues. They're all interdependent and it's why we wanted to take a comprehensive look at the issues in front of the governments as they headed into the Cartagena Summit of the Americas and also looking forward as to how do you address these issues from an inter-American perspective, which these days is looking a little frayed, and I'll comment on that along the way.

My topic is democracy and human rights, but before I go into that, I do want to recognize and not only welcome again Ernesto Talvi to the Brookings family and welcome back Kevin to our group here; it's great to have you back, come back often, but also to thank some of the authors and contributors to this effort.

Jeff Puryear from the Inter-American Dialogue and his colleague Tamara Ortega Goodspeed, they've written a fantastic piece on

education, what the challenges are in the region, and how to address them. Jaime Aparicio here, Bolivia's former ambassador to the OAS and a key figure in previous summits and in the Inter-American Juridical Committee has written an important paper on the Inter-American System and how to address it going forward. Diana Negroponte, a non-resident senior fellow here, has played a critical role in commenting and critiquing a number of the papers. Dan Wilkinson from the State Department has played an important role in connecting us to the thought processes going on at the State Department. So, thank you, all, for coming and then we'll hear from John and Richard.

So, on the democracy and human rights agenda, just as an introductory kind of scene-setter, I think if you look back over say 20 years, the trends are certainly net positive. We have a hemisphere of electoral democracies at various stages of freedom if you look at the scale that's used by Freedom House of Political Rights and Civil Liberties, and I think, of course, there's one country that doesn't quite fit into that grouping, which is Cuba. I'll say more about that at the end.

But I think if you look more recently in the last 10 years, since the signing of the Inter-American Democratic Charter, ironically, there are some worrying tendencies and some erosion going on around the region. By no means similar in every country, but some concerns. There are issues of electoral manipulation, interference with the media.

I'd say press freedom in particular is of concern. Interference with the judiciary, the freedom and independence of the judiciary. Kevin mentioned impunity. Impunity is historically at high levels in Latin America and the Caribbean. Growing executive power at the expense of separation of powers, which is related to some of the issues I've already mentioned. Hard line responses to crime, which Kevin also mentioned. So, there's some cause for optimism I'd say overall, but need for caution. Obviously, no democracy is perfect and backsliding is inevitable in the back and forth of any kind of democratic society. But it does underscore the relevance of both universal and regional norms and the need for some kind of collective response.

So, let me now turn to the Inter-American System, which has developed fairly robust set of standards and mechanisms for this kind of collective response if you compare the Organization of American States and other mechanisms throughout the region, they're quite strong in comparison to other parts of the world. The Inter-American Commission on Human Rights and the Inter-American Court on Human Rights has really provided a lifeline for human rights defenders for decades, particularly during the dark days of military dictatorship and conflict in Central America.

Now, today, the situation is a little different. There is no major state-sponsored conflict or widespread violence of the kind that

typically has been addressed by these mechanisms, but there are discrete episodes and of course you do have high levels of crime, public security issues, impunity, and corruption which undermine respect for human rights. The Inter-American Commission for Human Rights and the court formally independent of governments and have taken some brave decisions over the years and should be commended for that. But political pressure is applied that limits their criticism sometimes.

Let me now mention the Inter-American Democratic Charter again adopted on September 11, 2001, which builds upon a number of previous resolutions and mechanisms that were crafted in moments when the main concern was military coups and these mechanisms were regularly applied by the OAS governments in the 1980s and the 1990s when there were various episodes of pressure (speaking Spanish) other kinds of abrupt interruptions of the democratic process.

The purpose of these mechanisms and of the democratic charter, which consolidates all of this and advances it forward, has several purposes. One is to consolidate a transition to democracy and promote political stability and to protect mainstream politics from extremist forces that were bent on violent regime change. It also serves to protect democratically-elected leaders that when voters have voted in free and fair elections and they elect a president that that should be respected at least for the term of their office, prevents spillover of political instability to

neighboring states and to reaffirm the fundamental values of representative democracy and universal human rights and the Inter-American Democratic Charter in particular has a very cogent and important, I think, definition of what we mean by democracy, which is, to my surprise, always a question that comes up in various discussions.

Well, what does democracy mean? How do you define it? Well, in fact, governments have come up with a pretty good definition of it and it's worth reading. I think it would sound familiar and it's not just about free and fair elections, it's several other factors that are important to keep in mind.

So, these important mechanisms and institutions are coming under increasing pressure, even assault, from governments that say they oppose external interference and internal affairs, they claim that we don't need them anymore, we've already kind of achieved democracy. They allege that these are outmoded, Cold War era, U.S.-sponsored tools for intervention. I would call those claims into question. I think that these are important tools that can be used in moments of crisis and to prevent crises.

But the assault, or maybe that's even a little too strong, but the attack on some of these institutions we've seen recently include Brazil's withdraw of its ambassador and its funding to the Inter-American Commission in protest of a commission decision to suspend construction

of a dam for failure to consult with indigenous communities affected by the construction. Other countries like Venezuela, Peru, Ecuador, have their own complaints about certain commission and court decisions and some have threatened to withdraw from the commission and create a separate and I suspect a weaker parallel mechanism.

So, in face of these kinds of challenges, we need to think about some new and creative ways to adapt them to the current situation of erosion, of concentration of executive power, of manipulation, of constitutions where there is a provision for impeachment, but it may not have been applied quite in the way one would expect given due process standards and I'm thinking of Paraguay, of course.

So, here are some ideas and I want to in particular thank Rubén Perina, who wrote this paper in the report that you have and he and I exchange a lot of these concepts in the process. Keep in mind that the Inter-American Democratic Charter has a trigger mechanism to address unconstitutional alterations to a democratic regime, but this term "unconstitutional alterations" is not well-defined and there's really no political will to invoke it or to figure out what it means.

So, if you wanted to figure out a way to use the instrument as it already exists, you would figure out how to invoke Article 20 in particular of the charter to address situations where there is either an arrogation of executive power or a confrontation between different

branches of government that deserve the attention of the Inter-American system.

You could create greater connectivity between the work of the permeating council of the OAS and the Inter-American Commission itself, which issues reports on country situations and these reports could be used to brief the OAS on situations of concern that might help create the groundwork for invoking Article 20. There's basic need for greater technical cooperation and deployment of the good offices of the secretary general in these situations.

Now, if you wanted to really be ambitious and think about tweaking or reforming, revising the Inter-American Democratic Charter, this would be a daunting challenge, but there are some areas that need attention.

One idea that MR. Perina suggests is that you allow other branches of government to present issues to the permeating council. So, if it's the congress whose powers are being breached by the executive, that congressional representatives could come to the OAS and raise that issue before the other governments. Currently, it's only executive agencies that may come to the OAS for this purpose.

You could also write in -- and I'm not sure this really requires amending the charter, but other ways you could require that OAS electoral observers automatically be invited to any major election in your country.

This is the way it works in other parts of the world. Certainly, the OSCE, the Organization for Security and Cooperation in Europe, all its members when they become a member agree that observers can come in and observe their elections, including the United States. And we do have observers from the OSCE observe our elections.

Another idea would be to create some kind of special commission to report on the quality of democracy in different countries and adherence to the basic core principals of the charter. Now, over time, particularly I'd say in the last 5 or 10 years, there is a kind of fragmentation going on in the region politically and ideologically that make consensus increasingly difficult, particularly around issues of democracy and human rights. So, I think these kinds of changes are highly unlikely in the short term, but if the mood changes, these are some of the ideas that you would turn to.

I think for the short term, the battle is to protect the Inter-American Commission on Human Rights from efforts to undermine its independence and weaken its ability, for example, to issue publicly its reporting in a timely manner. These are some of the proposals that are currently on the table at the OAS, negotiations are underway both in the lead up to Cartagena Summit and expect more afterwards; there's a working group that is addressing these issues.

I think it's a serious concern and I've been involved in other

efforts like this at the U.N., where there's an effort to try to, for example, restrain the independence of the special repertoires of the commissioners to have greater government control over their reports and the timing and issuing of their reports. I think that would be a really big step backwards.

So, the bottom line is to try to defend the gains of the last decade from attempts to weaken and undermine them, to strengthen where possible what the system does well. That would include elections monitoring, human rights scrutiny. There's a lot of work being done on anti-corruption, on civic education, and to give these bodies the resources and the funding that they need.

And a final word on Cuba. Cuba became an important divisive issue at the Cartagena Summit, with initially Ecuador and a couple of other countries saying that well, we're going to boycott the summit unless Cuba comes, and the Colombians as hosts were able to finesse a way out of that problem and President Santos himself got involved. And as a result, the summit went forward, but Cuba became a very politically sensitive issue that was openly debated among the heads of state at the summit and the outcome of that was, number one, no final declaration that was agreed to by all the governments and secondly a commitment by most of the governments in the region to not come to the next Summit of the Americas in Panama in 2015 unless Cuba is present at the summit.

Now, to me, that creates really direct confrontation between

the idea that inter-American system should include all of its members including Cuba because Cuba is still a member of the OAS and the core principles that the governments have adopted through the Inter-American Democratic Charter and the OAS charter itself. I don't know how you reconcile those two things when it comes to bringing Cuba into the fold without some kind of accommodation or discussion or process that could take place between the governments and the region and Cuba that would allow for at least a discussion about how Cuba's trajectory might come closer to the basic principles of the OAS and its identity as a community of democratic nations.

Now, if there's a complete free pass for Cuba to come into the inter-American system, whether it's at the summit or otherwise, it would really call into question that commitment. It would change the basic character of the OAS and I think that's a debate that we need to take on, take it on carefully because I think there's a lot at stake at having an identity like that, a democratic identity, but to also not walk away from it.

In other words, we have to figure out how the United States and Cuba can accommodate each other. I mean, the reason this is on the agenda of the hemisphere is because U.S. policy is stuck in the same place for over 50 years. And governments are right to create an issue over that. I mean, its' really become untenable, but to hold out the principles of the charter as a sacrificial lamb in this process I disagree

with. I hope it creates enough pressure that there would be some negotiation that begins so that the summit in 2015 in Panama can take place.

So, now, let me ask John to take the floor and then Richard and then we'll have a back and forth with you all. Thanks.

(Applause)

MR. FEELEY: Thank you very much, Ted. I very much appreciate the opportunity. Let me begin by asking everybody just to stand up. Just stand up for a sec right in place. Stretch, stand up, stretch, get yourself moving around. There you go. Kind of move it out. All right, great. Nobody leave, but --

All right that was your seventh-inning stretch, and I think that may be -- as I was sitting here myself thinking I could use a seventh-inning stretch, I also thought maybe it would be useful to kind of keep baseball here as an overriding theme and analogy as we go through this.

First of all, let me also kind of make sure that I do both the obligatory but the very well-intentioned and very sincere logrolling to our friends here at Brookings. Ted, Kevin, Diana, everybody else who participated in this exercise, let me extend a real serious thanks on my behalf, on behalf of Roberta Jacobson, Secretary Clinton. We do genuinely appreciate the partnership that we have had here with Brookings that we hope to continue and for the opportunity to talk about

these issues, which are not really crisis issues in the traditional sense that we look at them on the seventh floor of the State Department or in, you know, the national security system that don't grab your headlines necessarily every day in *The Washington Post*. And I know that -- and a lot of you were here for the workshop that we did earlier on, and I really do echo what Ted said. I hope you do take the opportunity to take a look at these papers, because they're really fantastic and especially I know there are a couple of interns out here somewhere. We know who you are. We can see the body piercings. (Laughter) But the -- and they look good. I wish I could pull it off.

But this is really a terrific, terrific sort of "course," if you will, in overall hemispheric relations and in the way in which we look to go forward -- we in the Obama administration -- look to go forward and partnership with the region.

Now, I said that, you know, a lot of these issues are not necessarily going to grab the headlines. Maybe some of the security issues will -- you know, the Fox headline crawl down at the bottom, it'll tell you how many decapitated folks were found in (speaking Spanish). And they're very serious. I don't mean to make light of that. But I've heard from many critics, both before the summit and after the summit, and I think it's marvelous that we're not looking at the summit as, you know, just a frozen moment in time but as part of a process in all of my colleagues'

comments this morning. But I've heard the criticism that, well, this is really kind of small ball. So, this is our baseball analogy, and I just kind of thought of this as I was going through it. It may or may not work.

But small ball, for those of you who aren't baseball fanatics like me, is the idea that you don't have, you know, a lineup of homerun hitters from one to nine, that you get people on base, you move them forward, you play smart, you play tactical, you play pragmatic baseball. And I personally believe small ball in this hemisphere is what is going to win. And by "winning" we mean defining the region as one that is more prosperous, more stable, one that provides greater, more inclusive opportunities, both economic and social and educational, to their people.

So, let me begin by saying that before the summit and after the summit the bumper sticker, if you will, for how the Obama administration looks at its policy towards Latin America is very simply "partnership." And you've heard this before: Equal, flexible partnership. This is something that the President came in in Trinidad, Tobago with. He continued it in Cartagena. He has continued it on stops as he's traveled to the region before then. It's something you've heard echoed by Secretary Clinton and others. And I have to be honest. I think one of the challenges that I and my colleagues face, both at State and throughout the administration, is to continue to explain what we mean by partnership.

Partnership does not necessarily mean a client-patron

relationship. It doesn't mean a pro-consulish relationship. You all know the history. We've had those types of relationships in the past. But with increasingly capable partners -- you've heard some of the statistics this morning from Inés and from Kevin on how the region has done in the past decade or so. We see that there is opportunity for a frank dialog, a dialog where the United States may not be able to impose its will all the time, where more must be negotiated. But we also see that as a tremendous strength of our approach to the region.

Let me go ahead, then, with that and lay out a few of the core areas where I have been told by our critics -- and I refute that -- that we are playing small ball.

There's one area that I think is absolutely key, and that has to do with small business, and if you take a look at Cartagena, we announced something there called the small business network of the Americas. There are over 2,000 small business development centers -- SBDCs -- primarily in Canada, the United States, and Mexico. There are some in a few other countries. But basically you know what these are. In the United States they can be run by any organization. Small Business Administration, universities run them; municipalities run them. They're basically resource centers. Small entrepreneurs want to take their business to the next level. They can go in, they can get resources for it, they can get help, they can design business strategies. They can try and

take their businesses to the next level. In the United States, we link this directly with the President's National Export Initiative, which seeks to double our exports in the next five years and create jobs in America. It also creates jobs in the region. I think you all know the stat that, you know, in the Americas we don't necessarily just trade stuff to one another much like we do with China where we loan them the money to build stuff, they build it, they then sell it back to us. We build things together in the Americas. Forty percent of all U.S. trade with the region is value-added trade, meaning components and workmanship and value-added is put in, in a bouncing back-and-forth type of supply chain.

So, small business -- extremely important. I would, in our sort of baseball analogy, call that getting on base, get to first base, put more people in the game, take some of those small entrepreneurs, give them an opportunity to find niche markets, promote trade and development, and promote exporters to find markets here in the United States. We know that far better than any ODA -- official development assistance -- a catalyst for growth in the entire region is access to our markets. So, through the small business network, we're trying to do just that.

Another key component of it is inclusive growth, and this has been mentioned here and wonderfully by some of my colleagues. Kevin had a great line that I loved: Zero tolerance for crime, zero tolerance for

social exclusion. This I would call, in our little baseball analogy here -- this is deepening your bench people. This is deepening your bench and making for a better team. The President launched something called the We Americas Initiative in Cartogena. This is a group that is -- or it's an initiative and a partnership, public/private partnership, that's dedicated to supporting women entrepreneurs in the region. Three major structural obstacles to the growth of women entrepreneurs, that is, access to training; access to capital; and financing access to markets. So, using the "We Connect" network, leveraging technology, we are already bringing women entrepreneurs from the region to the United States, promoting travel by women entrepreneurs and successful business women in the United States to go down to the region, share best practices, run workshops -- I mean, basically, deepening your bench.

We also have to look at racial and social inclusion in the region, okay? Kevin said when you want to deal with the root causes of why we have violence in the region, in certain areas of the region, you have to look at the youth that are unemployed that don't have the opportunities to perform in a democracy, that don't feel that democracy has given them the opportunities that perhaps their parents' generation had or that others that they see through social media in other parts of Latin America, in the United States, in Western Europe -- that they have. They become disillusioned, they turn to crime, which is an age-old story;

it's not anything new.

Energy. Nobody's mentioned it yet, but it was discussed, and I look at the project, the initiative that we undertook with Colombian leadership and a number of other countries in Cartagena called Connect 2022 -- *Connectiones veinte veintidós*. Very simply put, this is an effort to expand electrical interconnection throughout the region and connect all of the grids of Latin America first by sub-regions, then hopefully one day the dream is all regions. This is putting outfield lights in. This is turning on the lights in your stadium. It's a critical element of infrastructure. Many of you from Latin America know just how disparate not just incomes are but access to energy is -- rural areas that still aren't electrified in the year 2012.

We also know that as energy markets begin to shift to the Western hemisphere and we start to look at renewables in a way that is commercially sustainable, we are going to have to have the networks to be able to transmit all of that electricity, and if one country produces a significant amount of hydro for its internal consumption and there is a La Niña drought, well, it makes sense that they can plug into a network that may have a surfit and be able to put it into that country so you don't have the rolling brown-outs that, quite frankly, we've had in California, here in our own country.

This project, Connect 2022, is not so much about the

physical infrastructure of building and connecting wires one to another. Much of that's already there. It's there in Central America. It's still a dream in the Caribbean. But it's about the regulatory and tariff harmonization that's going to be required to do that in a group of partner nation states. We think it's an extremely, extremely practical, tactical, and extremely strategic effort that we're undertaking with our partners. Again, you can dismiss it if you'd like as small ball, but I don't. I think that this is what makes a difference in the lives of people throughout the region, especially the poor, especially those without the access to energy that is absolutely required to live in the 21st century.

Education is another absolute priority. It was before the summit; it is coming out of the summit. The President's signature initiative is something called A Hundred Thousand Strong for the Americas. Right now there are roughly 35,000 Americans studying at the university level in Latin America. There were roughly 64,000 Latin Americans studying -- Latin Americans and Caribbeans studying in the United States. The goal, very simply, is a hundred thousand in either direction. It's a broad-based -- we're not necessarily putting any strictures around how we do the counting. The counting, quite frankly, of a hundred thousand is less important than the impetus and the desire of educational institutions, business, and governments to deepen their education.

Ernesto earlier talked about the education failure. We agree

completely. We agree that education is absolutely at the core of developing the 21st century workplace, of developing opportunities for people; and, when those opportunities are created, for having trained educated cores of young people able to assume those jobs. If you think of it again in the baseball thing, this is the investment in your farm team. If you don't do that, you're not going to win. You might be able to buy a few high-priced players for a couple of years, but over time what's going to set up a dynasty as they do in baseball, what's going to set up a successful society is a constant core of well-educated people and a focus on that education.

Telecommunications -- Inés made a wonderful comment earlier about how in terms of inequality of wealth and distribution of income, you also see in the Americas an inequality of access to broadband. Again, the administration before, during, after the summit -- we recognized this as well. We think this is another one of those perhaps less-than-sexy, less-than-headline-grabbing efforts, but you've got to do it. You simply have to expand broadband. You have to attack monopolistic, duopolistic telecommunications structures in many countries and link to, as we've heard from our other panelists throughout this morning -- link to other aspects of what ails Latin America -- is this very basic concept of universal access to communications in broadband technologies. And so we're doing that through the Broadband Partnership of the Americas. We

significantly believe that without this, we can't go forward, and when I say "we," I mean, again, the partners. You can't go forward on education if you're just using chalkboards. You may be able to do it for a while. You may be able to get the basics done. But you've got to have access to broadband, access to modern communications technology.

Security was mentioned by Kevin. I won't go into too much on that other than to say we share in the administration very much the read, *la lectura*, the analysis that the paper lays out here. I love that he brought up Mencken's dictum that, you know, for every complex problem there's a really simple, straightforward, and wrong solution. It's one of the reasons why the four sub-strategies, if you will, that the Obama administration has pursued for the last couple of years, Mérida, the initiative which is a bilateral initiative with Mexico; Plan Colombia, which is a longstanding -- and both Mérida and Plan Colombia inherited, if you will, passed on, analyzed at the beginning of the administration, determined that, more or less, we had with those two bilateral partners the right course, the course we wanted to continue.

CARSI, the Central American Regional Security Initiative, began sort of as an adjunct, a parallel track to Mérida. In the last couple of years, since coming into office, we've doubled the amount of resources that we're putting into it, recognizing that the situation in Central America has gotten significantly worse and is of concern to us, but recognizing also

that we have very willing partners who openly admit that they may not be as capable as they need to be to address both the root causes of the violence in their societies, primarily in the northern triangle of Central America but also in their ability to just do the basic law and order to stop the hemorrhage, to stop the emergency situation, to lower the violence as Kevin talked about.

And then, finally, the Caribbean Security Initiative where we have to make sure that we have a tailor-made solution, because in the Caribbean you don't necessarily have the headline-grabbing violence. You have it at times or places where you will have it; the key to that, though, is they're micro-states, they're tiny. So, when you have violence that doesn't compare to the numbers in, say, Honduras or Guatemala in terms of per hundred thousand, they have a much greater impact on the society.

There was a another comment that I absolutely have to just ratify and say we agree completely with that Kevin made, and that is you've got to pay your taxes.

When I -- probably the toughest thing that I had to do in my previous incarnation as the deputy chief of mission in Mexico City was attend the funeral of Jaime Zapata. Jaime Zapata was a nice agent who was killed by Zetas in what was a mistaken identity attack to carjack his fully armored vehicle. When I went to his funeral in Brownsville, I was

truly, truly impressed by just the sheer number of uniforms that I saw. I mean, everybody from the Brownsville Snuffy cop to the Harlingen County motor police with boots, to the Texas Rangers, to ICE, DEA, ATF, FBI -- I mean you name them, everybody was there -- Border Patrol -- everybody resplendent in their uniforms. Now, they didn't all know him. They weren't there because he was a personal friend. They were there because of what he stood. He was a brother policeman. He had volunteered to protect and to serve, and he had been killed in the performance of his duties. And in a center -- I mean, a convention center -- that held maybe 2,000 people, there had to be 3,500 people there, and I was amazed at the thought of how much is spent on local law enforcement in the United States. We spend a lot, because we prize the rule of law. We're not perfect, but we prize the rule of law, and we prize the institution of well-trained, non-corrupt policemen.

The final note on democracy -- let me just shift there -- again, a fundamental agreement with Ted's analysis of the situation, a fundamental agreement with the concern that we feel about what we see as a threat to the inter-American democratic system, an absolute welcoming of some of his and his colleagues' suggestions about perhaps broadening who could bring issues before the Commission, about electoral observation missions. Those things are precisely the types of creative thinking that I think we need. No institution is meant to stand for

all times without updating. No doctrine or no strategy ever survives first contact with the embassy -- that's also true -- with the enemy (laughter) -- and often the enemy is in the embassy. (Laughter) Freudian slip. I'm glad -- two minutes? How about now I end. (Laughter)

MR. PICCONE: About 30 seconds.

MR. FEELEY: How about 30 seconds.

However, we welcome -- this administration overall welcomes that kind of dialogue, welcomes that kind of new thinking. We're going to do it with SECAT in the context of fighting drugs and transnational organized crime; we're going to stay engaged in the OAS as we work through the democracy issues; and -- I'll end where I started -- we're going to do it by looking for genuine partners, not partners who agree with us a hundred percent of the time, not partners that we think we can bully into or condition assistance to based on positions, but partners with whom we have values affinities, core values about democracy, human rights, and individual freedoms.

Thanks a lot.

MR. FEINBERG: It's always a pleasure to be here at Brookings. I look out into the audience. I see many old friends. Thanks a lot for coming.

John, I liked your sports analogies, but I think, more in tune with partnership rather than baseball, you need to talk about soccer, right?

(Laughter) And maybe what you need to talk about is dribbling and teamwork and passing. How about that?

MR. FEELEY: That's true.

MR. FEINBERG: Okay. (Laughter)

Okay, what I want to take my little time here up here now is to focus precisely on the issue of summits, okay, and summits worldwide are increasingly common. They're part of global diplomacy. We read in the papers the European Union has summits every few weeks now. The G8, the G20 meet every six months. In Asia you have APEC; you have the East Asia Summit. Just this past week, you had the African Union meeting in Addis. It is very much part of global diplomacy.

Yet, inter-American affairs, the Western Hemisphere is about to lose its summits. We need to understand that. They are an endangered species unless something is done. Are we going to be the only major geographical region in the entire world without summits?

John, what does it mean to talk about partnership if we can't even have a summit?

You don't have to agree to attend a summit. Do all the Asian countries agree when they attend a summit? Do all the African Union countries agree when they attend a summit? No. But do countries who attend these meetings put bottom line conditions -- unless they're all met we're not showing up? No. Because then you're never going to have

summits that are going to be ongoing.

So, we really -- so what I want to address is how we rethink particularly the U.S. position on some of the key issues that are now endangering summits.

Summits are important, by the way. I think they're worth maintaining. What are the purposes of summits? First of all, the initiatives, for example, that John read, some of them predated summits but a lot of them get keyed up and focused on because the President has to attend a summit; he needs to show up with some deliverables. Summits are very important to get governments to focus on particularly regions that are not, as John emphasized, the headline crisis regions. Summits, therefore, are particularly important for inter-American relations. They also offer an opportunity to create a vision, to lay out a plan of action, maybe to garner some additional resources. They're a very efficient opportunity for bilateral meetings. And also these days summits are not just the foreign ministries. Summits are about the communities coming together. So, you now have meetings of the CEOs, of business as a forum, and you have meetings of civil society that are very much part of a multi-ring circus, if you will, that now consists of summits.

Senator Rubio was at Cartagena. I said Senator, how did you like the summit? And he said you know, it was very worthwhile for me to be able to listen to the points of view of leaders from other countries.

And he also added it was particularly interesting to meet some of the younger ministers from Latin America, some of whom one day will be presidents and prime ministers, said Senator Marco Rubio. Maybe it's suggesting something about his future intentions.

But the value of a community -- at the CEO summit this time, because the president of Colombia and the head of the Inter-American Development Bank got together, called their friends, they got a lot of the leaders from the around the hemisphere, CEOs to meet with and have face time with the presidents and the foreign ministers. And at that meeting, as we heard about the economics in the region, there's a very upbeat view. People were excited. They saw opportunities. They saw capital. They saw possibility for joint projects. It was a very exciting and positive event.

There was a meeting of the Civil Society Forum. You might recall in Mar del Plata what happened to Civil Society Forum was that the president of Argentina and Evo Morales and others -- they weren't sure if they were leaders or protesters, and they were out in the street protesting the summit that they were attending. That's how chaotic it was in 2005.

To avoid that from happening, President Santos traveled to La Paz, Bolivia, and he said, look, Evo, let's put together a more mature approach. I'm going to invite you to play a prominent role at the summit. You can give the keynote address at the Civil Society event. I'll give you a

private plane. You can bring up a hundred of your supporters to cheer you on at the civil society meeting. And I can tell you, those hundred indigenous leaders showed up, they were dressed in full regalia, they were chewing cocoa leaves -- I exaggerate not -- and it was a great event, and there was a sense of solidarity and it was also closed not only by Evo Morales but by Secretary Clinton, who of course is a hero in the civil society venues.

So, we had, on the one hand, very successful meetings of the private sector, successful meetings of civil society, essentially the vibrancy of the community of the Americas. That contrasted, unfortunately, to the formality and the fragmentation among the diplomats meeting at the official summit. The official Cartagena was both disappointing and divisive. Although there was no approved declaration, if you go to the OAS website, they have the 47 initiatives that were passed. That's a lot fewer than in previous summits, which is an advance, because you want to focus a little more, but almost none of those initiatives come with numbers -- that is to say, quantitative goals; almost none of them come with resources; almost none of them come with deadlines; almost none of them come with who are the instruments of implementation. That is to say, this is a retrogression from the progress that we had seen over the years in summits in which we get more precise with more numbers, with more measurability.

The biggest problem, however, which is very much a manifestation of current problems in inter-American relations, was not with ALBA, which gets the headlines. You know, President Chaves, being ill, was not present. The issue was not ALBA. The issue was behind the scenes. Brazil and Argentina were stirring the pot, playing on divisions. They successfully maneuvered the United States into a defensive, isolated position. The U.S. -- and on the key issues that were on the table, which were counter-narcotics, Cuba, and the Malvinas Falklands -- the U.S., with support from Canada, stood alone -- not in a minority -- alone. We were maneuvered into a situation -- I know of no other -- I cannot recall ever, in the history of inter-American relations, when in a major diplomatic conference such as this the President of the United States was in a position of being so overtly isolated.

Why wasn't the U.S. able to be more effective and more at least diplomatic, demonstrating real partnership, demonstrating real interest in dialog? It seemed to me probably because the U.S. was more focused on the upcoming November elections here. There's always a balance in diplomacy between domestic politics and foreign affairs, always a balance, but you've got to take both into account, and it looked as though at Cartagena we were solely focused on the upcoming election and therefore not willing to give a little more on these issues in order to avoid being isolated.

Also, perhaps, the political immobility that is now the case in Washington, D.C., here, that spills over into passivity in inter-American relations.

For me, on counter-narcotics, it was painful to see the President of the United States saying of course we'll listen respectfully, but we're not changing our positions. That was the position of President Obama. That's not my idea of partnership and dialogue: We'll listen, but we ain't changing our positions.

What did come out, as was mentioned, is that the OAS is going to undertake a large-scale study of kind of a narcotics policy in the region. I've heard Secretary Insulza talk about that. It's open minded. He's engaging a lot of interesting studies and topics. Let's see where that goes. That is a hopeful initiative.

I would say, on counter-narcotics, the train is leaving the station, that the Latin Americans, as Kevin pointed out -- increasingly the leaders in Latin America, Peño Nieto, for example, in Mexico -- they are looking for more rational policies. It's not just about how can we put more people in uniform. We're looking for rational policies, more results oriented, focused less on repression and more on individual choice and more on personal health.

I think what we'll see is individual countries going ahead to experiment on their own. Just as in the United States, we are seeing

states -- given that the federal branch seems incapable of going beyond inertia, so we're seeing initiatives coming at the state level. So, I think we'll see the parallel of initiatives in countries and states bubbling up and pilot projects. We'll see what works, and then eventually some of those will spill over onto the inter-American agenda.

On the issue of Cuba, if you work in the U.S. Executive Branch -- I know largely people think Cuba's a non-issue in inter-American relations, because countries in bilateral talks don't raise the issue of Cuba. But I would suggest that leaves the false impression that they don't care. They don't raise the issue, because they know there's no point, that the U.S. policy is stuck; it's driven by domestic politics so why waste your limited face time in talking about an issue that's not going to go anywhere.

But that doesn't mean that it still is not an important issue in the minds and in the hearts of many Latin Americans. And we could see at the summit, as we saw at a number of earlier meetings -- so, this was not new at the summit -- that -- and, again, it's not so much the ALBA countries, it's not so much Venezuela -- it's Brazil, accompanied by Argentina -- that are using the issue of Cuba to kill the summit. The Brazilians want to kill the Summit of the Americas, because they want to drive the United States out of South America and they want to set up their own institutions and then strengthen them. And they already have them -- Americo Sur, Uno Sur, and Saloc, which is a direct -- all of these are direct

counters clearly intended to reduce U.S. influence in the region and to enhance the power of the South American hegemon, which is Brazil.

The Brazilians, of course, are very clever. They never say this. They always hide behind somebody else who's more, you know, louder and less sophisticated. But they're there behind the scenes, stirring the pot and trying to make the summit in Cartagena the last inter-American summit for a generation.

I would suggest that is not in the U.S. national interest to allow summits to disappear, and therefore we have to do more than simply say we'll listen, but we're not going to change our policies.

Ted and I usually agree on things, but here I think we have a subtle difference. I would argue -- I agree with him with regard to the Organization of American States. Cuba has a road to travel in order to meet the requirements, for example, of the inter-American democracy charter, as well as the OAS charter itself. The Summit of the Americas is not the OAS. It is perfectly possible to have policies within the context of the summits that are not -- and in no way reflect upon the Organization of American States.

I was the guy who, in the run-up to the Miami Summit in 1973-74 -- I was the one who put in the adjective that people who would be and the countries who would be invited to the Miami Summit were democratically elected leaders. Guys, I put in that adjective. Was I

thinking about Cuba? No. I was thinking about Fujimori, actually, in Peru. I was sending a signal of warning to authoritarian -- or would-be authoritarians in the region. That was a long time ago, guys. It was a different hemisphere in those days. We were still very concerned about consolidating democracy in the Americas.

The last two summits have not even talked about democracy. It's not on the agenda at all in Cartagena, and it was a not a central point in Trinidad. It's no longer a central theme partly because we've advanced so far and partly because there are differences here at the ALBA countries over fundamentals. So, therefore it can't be a central theme. But -- so, the summits have moved on, and they have a different set of agenda items.

Why not -- so, we have to think about -- the Brazilians and others have said they ain't showing up. In other words, there will be no more summits unless Cuba is somehow accommodating. And that was said by the government of Dilma and Christina, both of whom will be in power in 2015. So, that's their clear positions.

Would it be so terrible to invite Cubans to participate in some follow-up working groups of the summit in issues that they're interested in, such as disaster relief where the Cubans have a lot of expertise? My understanding is that actually that was the recommendation of the U.S. State Department in the run-up to Cartagena but vetoed by the White

House that was looking a hundred percent at the forthcoming elections and not even one percent at the damage that would do in Cartagena as I read the internal debates.

So, we do have time -- we have three years, the next summit is not scheduled till 2015 -- to begin to fix some of these problems. We have time to recognize the difference in the OAS and summits to find some way, without damaging the very -- I agree with Ted -- the very critical focus. The OAS is basically about democracy, promotion, and consolidation. We do not want to damage that.

The Cubans, of course, had said they ain't interested in the OAS. But the Cubans have said -- Raul did say that if invited he would attend the Summit of the Americas. So, that seems to me to be a reasonable way for us to also think about separating summitry and the OAS.

We have time to update ourselves on these issues. We have some time to find common ground to really look for partnership, to break out of the virtual isolation that the United States and the President found himself in in Cartagena.

Summits are important. To sum up, they're a common part of diplomacy on a worldwide basis. For the United States they are a vehicle. For our leadership, for our active participation in inter-American affairs we need -- we've nurtured inter-American summits over almost two

decades now. We've nurtured them, we've built them up, they're a centerpiece of inter-American affairs, and we need to figure out a way to get the Summit of the Americas back on track.

Thank you very much.

MR. PICCONE: Thank you, Richard.

We're running a little behind schedule, but I'd like to continue past our scheduled end date -- our end time of 11, if you don't mind. I understand if you need to go. But I think what we might do first before turning to you all is, because in particular the last set of comments really went to the heart of what the future summit process might look like and how the Obama administration looks at it, just give John a minute to respond to some of Richard's comments.

MR. FEELEY: Terrific.

Thanks very much, and thank you, Richard. This is now -- Shipley and I were joking beforehand. We were going to take this on the road. We did it in California a couple months ago. I hope we bring it to a city near you somewhere in the Heartland so that we can not just have a bi-coastal focus on inter-American issues, which I think are important. (Laughter)

We agree on an awful lot. There are some key points where we disagree. I do fully and the administration fully agrees with you that summits are important. They are important, because they are action-

forcing events. They are important, because they allow for the ceremonial political theater that is part of what we do as nation states. I also agree with you that there are countries in the region who do not see the summit, as currently structured, as in their particular interests and may want to see -- although I think you put it sort of in a Mencken sense of you don't want to undercut it. I think that this is part of the partnership. Partners don't always agree.

I also would say that what interests the administration, and I would hope interests most of the countries in the region, is that rather than a very strict geographic basis for conforming the summit, we have more a values affinity and a programmatic focus on where we go forward. In other words, to go back to the sort of baseball/soccer thing, I want to have a summit where at least we all agree to play baseball and not play with a soccer ball and try and pitch that. (Laughter) And by simply allowing -- and I would associate with what Ted said -- by giving Cuba a free pass into the summit, I think we undercut the very core principle around which you and your colleagues back in, you know, '92, '93 came around: Why we should we do this in the first place?

And then the other thing I would say is that you found it painful that the President said, you know, we'll respectfully listen, but we won't change. I think you have to look a little more contextually at what he said. What he said was that with the regard to the specific issue of

legalization -- and legalization not well defined, legalization as in Peter Tosh -- legalize it, everything -- not defined as what are we talking -- are we talking about all drugs; are we talking just about marijuana? That hasn't been defined as a proposition. What was mentioned by President Otto Pérez Molina in Guatemala -- who is, I think, one of the first, among the first sitting presidents to suggest this, and it's interesting that I think he's walked it back a little bit and hasn't focused on it -- was just legalization. We are interested in the debate about how to approach the assault on, and as Kevin put it, not just drug trafficking, would that it were just drug trafficking, but the phenomenon of transnational criminal organizations and the serious, serious blood and treasure that many of the countries of this region are spilling and losing as a result of their activities.

But, we do reserve the right to say that with regard to legalization as a federal policy, the President has determined that that is not something he wants to explore. You may be right that the states in our federal democracy may be taking alternate routes. But the President does have that prerogative, and, quite frankly -- I come back to the issue of partnership -- one of the things that's most important in any partnership is frankness and being honest. But it doesn't mean that we are not interested in the dialog that's been put into the SICA -- abito is what I was going to say, but in the SICA forum and that we won't be active participants in it.

But as the sort of founder of the summit we do absolutely appreciate all of your efforts, your colleagues at that time, and even though you are writing for Fujimori, we'll take it for Castro. (Laughter)

MR. PICCONE: All right, why don't we go to you all and take a few questions. At least we can get one round in -- if there are any. Do I see any hands? We answered all your questions. We'll send them back and then come forward.

MR. TÁVARA: Yes, Santiago Távara from the -- a reporter for a Mexican news agency, Notimex.

I haven't heard from any of the panelists about the flow of drugs from Latin America to the U.S. The market is here. So, I don't how do you stop that, because this is a problem. Also, how do you stop the flow of guns and cash from the north to south, which has caused a, you know, loss of life, especially in Mexico -- around 60,000?

MR. PICCONE: Thank you. Let's take a couple more, and I saw a hand in the middle coming down. Here in the front.

SPEAKER: Yeah, Edmunds, the former ambassador of St. Lucia to the OAS a good 30 years, and I remember the initiation of the Summit of the Americas in Miami, I think it was. He's the one who felt that we ought to debate and discuss hemispheric affairs not merely at the foreign ministerial level. He's a past president, so he wanted to deal with presidents and prime ministers instead. In fact, that's the view we had.

But point I want to make here is that from many years back when we talk about hemispheric affairs, very little is said about the Caribbean. It was mentioned once or twice. I know this will take another conference, but probably a brief comment about the Caribbean as it relates to all the various issues that you've mentioned today.

Thank you.

MR. PICCONE: And one more question, right up in front here.

SPEAKER: Oh, thank you. (Inaudible) from the Colombian Mission to the OAS.

The first question for Kevin -- if you want to go a little bit deeper on the current situation in El Salvador between gangs, I believe that the church has been engaged in this sort of deal between all those gangs and how does it work, and the situation in the (inaudible). Kevin, I have asked you for why in the (inaudible) with the situation of poverty and so on the conditions of criminality and the killing is not the same like the other countries here in the region.

And the other thing is that right now the OAS has a special mandate on drugs. It was given by all the heads of state in government in Cartagena, and the OAS is again in the study of the current situation of the drugs problem in the region and trying to define some scenarios of this situation. So, there are some developments that have been going on, on

the summit especially, and the others are the 47 mandates, especially mandates that were given, and they are also developing in some other ways. But this on drugs is very important.

Thank you.

MR. PICCONE: Thank you.

Why don't we come back with -- start with Kevin and just come down with some final comments and thoughts, okay?

MR. CASAS-ZAMORA: Thank you for the questions.

MR. PICCONE: Just briefly though.

MR. CASAS-ZAMORA: Yeah, yeah, yeah. (Laughter) I'll be very brief.

About the Caribbean, I mean, much of what I said about Latin America applies to the Caribbean, quite frankly, with the possible exception that judiciaries tend to be in better shape than the Caribbean. And I would also add that in the Caribbean, much of the violence is truly connected to drug trafficking, all of that compounded, as John mentioned at some point, by the size of the countries, that, you know, dealing with this challenge is truly a daunting task for the Caribbean. So -- but much of what I said applies to the Caribbean generally speaking when it comes to policy security.

El Salvador and the truce -- I mean, yes, I mean, I don't know, quite frankly, the details of it, but there was -- I don't know if the

church is an institution, but there was this particular bishop, Bishop Colindres, that brokered the truce. It's working so far. And that's -- you know, whenever -- whenever the fall in the levels of violence is a decision made by the offenders, you have to wonder. You know, public security should ideally come out of a set of conditions that include, you know, better state institutions, more ability to enforce the rule of law, better social conditions -- I mean, and the jury's still out in the case of El Salvador. I mean, I think it's worthy effort and it's definitely helping with an extremely urgent situation. But whether it's sustainable in the long run, it's very much open to question, and I -- you know, as for me, it is not enough. I mean, more structural things need to be done in El Salvador to create a truly safe environment in society.

Nicaragua -- that's, to me, very blunt with you. I mean, that's a puzzle for researchers and for social science. I mean, why -- I'm sure that Richard has something to say about this. I mean, when you look at the figures, Nicaragua should be as violent -- and the social indicators and so on -- Nicaragua should be as violent as Northern and Central America, and it is not. No one, to the best of my knowledge, has been able to come up with a conclusive explanation to that. There are some -- one thing I have to -- the one thing -- the one nugget of information I can give you is that, generally speaking, trust in police institutions in particular -- this raises a different question -- trust in police forces is much better in

Nicaragua than in most of Central America. And some people say that that goes back to the origin of the police force that was connected to the revolution and more linked to communities and so on and so forth. But that's a spontaneous social science, right. (Laughter)

Thank you.

SPEAKER: Thank you.

MR. FEINBERG: With regard to the Caribbean, the Caribbean countries I believe were a hundred percent behind the idea of integrating their fellow Caribbean comrades from Cuba into the Summit of the Americas.

I think Nicaragua is a fascinating case. Why is crime lower? Therefore, there's not a direct one-to-one between poverty and crime. I think a lot of it has to do actually with local-level organization, and this gets back to the Sandinista party actually. The Sandinistas are in every poor barrio, the parties present, and they work very closely with the municipality, with the local police force, and they have all sorts of programs to integrate at-risk youth into -- you know, get them out of the dangers of drugs. I think that's part of it.

The last point I would like to make about structural causes of violence -- who commits crime? Young males. If you have very rapid population growth, everything else being equal, the probability of high levels of violence is much greater. Therefore, I would suggest that in a

number of Latin American countries the demographic issue -- tremendous progress has been -- for example, in Mexico the birth rates are way, way down, but in Guatemala, and particularly in rural Guatemala, your average woman still has four or five kids. Guatemala will not get out of the cycle of violence unless fertility rates are substantially reduced. You have to have 20-, 30-year horizon to think in those terms, but had we been thinking of those terms in the ’70s and ’80s in Guatemala, we would not be where we are today.

MR. PICCONE: Inés.

MS. BUSTILLO: Just one comment on the summit. In 1994, there were four institutions that were requested to support summit mandates in 1994. It was the OAS, IDB, the Pan American Health Organization, and ECLAC. Right now, at the last summit there were 12 institutions that were attempting to support summit mandates. Over these past years, much progress has been made in terms of institutions coming and went into support some of the mandates. There’s a lot still to go ahead, and we have -- also institutes have learned to work better together, so they have a lot of problems, huge challenges. But I think that’s something that is very valuable to the Summit of the Americas community and a force that should be tackled off in the years to come.

MR. PICCONE: Good.

John.

MR. FEELEY: I'm not going to forget you, Santiago. I heard you in the back there. Nobody answered your question, and I can't give you a complete answer; however, how do you stop the flow of drugs from south to north? Well, one thing we do is that we work on the demand-pull factor here in the United States. This administration has tripled its demand reduction budget $10 billion in '12. We're looking to replicate it. We'll see what we get in '13. We recognize, and I think that the rhetorical admission of co-responsibility by the highest officials in the American government has been important, not just because it sounds nice, not just because it was a (inaudible) for many years, but because it gives people like me the mandate, if you will, the policy mandate to go out and to try and form the practical partnerships that will ultimately get to the point of strengthening law enforcement, rule of law, overseas in coordination with partners while here in the United States we attempt to do what we need to do, the needful in terms of better law enforcement, using our weapons laws, using better attention at the pre-teen and teen years where kids get hooked on drugs, and try to, you know, hit what looks like what Secretary Clinton has said on a number of occasions, our seemingly insatiable demand for these drugs.

On the Caribbean ambassador, I mean, I agree with you. I always kind of find myself in the, you know, the course of those in my interagency meetings and saying in the Caribbean, too. The Caribbean is

extremely important to us. A number of years ago we had something called the Third Border Initiative that has morphed -- it was called CBI, now it's called CBSI. The bottom line is that for U.S. national interests, the Caribbean is an extremely important place. We also recognize, and then that is if you look at it in just very cold, clinical, counterterrorism, counterdrug terms, it's a big, broad border that's very porous, a lot of blue water, a lot of places to bad things and introduce them into the United States.

More importantly, I think, or as importantly, perhaps more importantly -- I don't want to put qualifiers on it -- but is the participation of the Caribbean diaspora in many of our communities in the United States and the need, the requirement for us to forge partnerships to actually foment economic growth in the island states. There is a tremendous amount of goodwill. There is a tremendous amount of capacity to do that. You're aware of the Caribbean market where there is competition where we are trying provide small grants to people who come up with transformative business ideas on the islands out of the diaspora communities here in the United States. We will keep it on the agenda, absolutely, and I will continue to fight for the resources that we can get in this current environment of lean cows of resources.

And then the last point I would just raise with -- I agree with Kevin on his instant pop social science on Nicaragua with regard to the

strength of the policing institution, the mistica. I would also note that the head of the Nicaraguan police force is a woman who has been there for a number of years, and I think it's really story of very inspired leadership of this organization, a woman who has deep connections with the people of Nicaragua and understands how to balance community relations.

The other thing I would add is, I think, geography. Just very simply, yeah, the Miskito Coast, Nicaragua, is relatively ungoverned. The RON provinces in terms of a strong police force, but bad guys shipping stuff out of the Andies would much rather go further north, because it's just cheaper to make landfall somewhere in Northern Honduras or in Guatemala and then move the drugs up by land across Mexico. So, I don't think that they have -- I mean, the Nicaraguans have historically done a very good job at interdiction, and it's just not an attractive route for the smugglers coming out of the Andies.

MR. PICCONE: Just a final word about summitry. I think -- you know, summitry is about heads of state actually, not only coming together to have a chance to talk and all that, but they also set the tone and set the framework and the policy prescriptions and guidance for their own governments through this process. And I think it's really the golden apple in this whole inter-American architecture. So, it's even more important that the folks in are appropriate to be there.

Now, it was the governments themselves that agreed to

insert their -- agreed to your proposals to include democratically elected in Miami, and it was reinforced at the Quebec City Summit where they put a bright line over it again in the context of Peru and Fujumori, but it's still relevant to today. I mean, there may be -- you know, we had Honduras only a few years ago, which was suspended from the OAS.

Other regions in the world do the same thing, actually. I mean, the African Union, which is hardly an entire community of democracies, has nonetheless said that if you come to power through unconstitutional means, you're not coming to our summits, and they implied it.

And take ASEAN also, a kind of a weak community of, you know, not all democracies, but they consistently said to Burma you may not become into our community. Then they said you can but you can't become chair. And then Burma starts changing and they've been elevated to host the ASEAN Summit in the future. So, I think there is a give-and-take here that could come into play in a positive way, in a win-win way, but it's going to take some back-and forth. I like the idea of let's begin having Cuban government representatives integrate, in some modest ways, into the inter-American architecture through various working groups and technical institutions. I think that's a very good proposal. Let's get that started. It won't cause a big political fuss. I think if it's -- you know, it's a technical experiment. And then let's see where it goes from there.

All right, we'll be on time. Thank you all for coming. Thank our panelists.

MR. FEINBERG: Thank you.

MR. PICCONE: Great seeing you, Richard.

MR. FEINBERG: Nice to see you, too.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2012