# CURRENT HISTORY

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## LATIN AMERICA

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An international chronology of events in December, country by country, day by day.

#### **CURRENT HISTORY**

February 2018

"More people have risen above extreme poverty, but a majority remains stuck in the ranks of the working poor, with migration offering the only way out."

## How NAFTA Has Changed Mexico

KATHLEEN STAUDT

he North American Free Trade Agreement (NAFTA) took effect nearly a quarter-century ago, on January 1, 1994. While it is difficult to say to what extent NAFTA was a direct cause of the dramatic transformation that Mexico has undergone in recent decades, there is no doubt that it has changed the country in many ways, both positive and negative. Yet one clear consequence of the trade agreement is that it has also perpetuated historical patterns, particularly Mexico's dependence on the United States. This asymmetrical relationship has not benefited most workers in either country.

As with any major policy change, NAFTA has produced winners and losers in its three member nations. Canada, Mexico, and the United States. In Mexico, the effects have varied widely among the lower, middle, and upper classes; among residents of different regions; and among economic sectors, ranging from agriculture to the automotive, aerospace, and electronics industries. Many Mexicans continue to rely on the informal economy, whether as their main earning strategy or as a fallback during economic downturns. Due to the increased outsourcing of work to Mexico by US companies and the proliferation of joint production processes, NAFTA has exacerbated the impact of US recessions on Mexico.

Other developments in the years since NAFTA took effect have also changed Mexico. The country faced difficult economic and political circumstances in the mid-1990s. While still recovering from a 1980s debt crisis, it endured a drastic devaluation of the peso in US dollar terms in 1994–95 and the shocking assassination of presidential candidate. Luis Donaldo Colosio-Murrieta in March 1994. Although he was affiliated with the dominant establishment party, the Institutional Revolutionary Party (PRI), Colosio was a popular politician and a leading contender to win the presidential election that August.

A political opening after decades of one-party rule by the PRI has since led to opposition-party victories at the presidential, state, and municipal levels in Mexico. However, the activities of transnational crime organizations involved in the production and sale of drugs, human trafficking, kidnapping, and extortion, often with the complicity of government officials and the police, have led to pervasive insecurity. Over 235,000 murders occurred from 2007 to 2017, according to Mexico's National System of Public Security.

A larger volume of freer trade, combined with official efforts to ease border congestion, enhances opportunities for drug smuggling in the increased truck and car traffic across the border. The size of these illicit flows is so large that businesses have emerged to track trucks from point of origin to destination. (Security still trumps trade at the US-Mexico border.)

Much attention has been focused on NAFTA since Donald Trump's 2016 US presidential campaign and in the first year of his presidency, given his frequent criticism of Mexico and Mexicans, his description of NAFTA as the worst-ever trade deal for the United States, and his threats to pull out unless Mexico and Canada meet his demands for revising the pact. His administration initiated a renegotiation of the treaty that has been extended into 2018. US Trade Representative Robert Lighthizer and his team have made demands for rule

KATHLEEN STAUDT recently retired as a professor of political science at the University of Texas at El Paso. Her latest book is Border Politics in a Global Era: Comparative Perspectives (Rowman & Littlefield, 2017).

"Rather than take marching orders from the outgoing president, Moreno distanced his government from the authoritarianism and corruption of the Correa era."

#### **Ecuador's Unexpected Transition**

CATHERINE M. CONAGHAN

Then Rafael Correa became Ecuador's president in 2007, he joined the populist cohort leading Latin America's bold "Left Turn." Like his Andean counterparts—Venezuela's Hugo Chavez and Bolivia's Evo Morales—Correa came to power as a political outsider and fierce critic of neoliberal economics, which he blamed for enriching Ecuadorian elites and impoverishing the masses. Promising a "Citizens' Revolution," Correa pledged to fight corruption, redistribute wealth, and restore national pride.

Correa's meteoric rise to power came at a time of political and economic crises. Ecuadorians were fed up with traditional politicians and their parties; they had taken to the streets to force the removal of three presidents between 1997 and 2005. Launching his presidential bid at the age of 43, Correa was the newcomer that voters sought. Proud of his PhD in economics and his brief stint as economy minister in 2005. Correa was outspoken, energetic, and unrelenting in his criticism of the political class. With his anti-elite stance and leftist credentials, Correa easily won the 2006 runoff election against billionaire Álvaro Noboa.

For the next decade, Correa delivered on his vows to shake up a stale political system, though he did so in ways that many Ecuadorians eventually came to reject. A new 2008 constitution, written by a constituent assembly controlled by Correa's Country Alliance (AP) party, enshrined an impressive package of rights for long-marginalized groups—women, indigenous peoples, children, the disabled, and even "Mother Earth" (Pachamama in the native Kichwa language) were granted special protections. Yet the progressive rights agenda ran up against constitutional provisions that heavily concentrated power in the executive

branch. Correa, not the citizens, would decide how the revolution translated into public policies.

With prices as high as \$100 per barrel for the country's petroleum exports, windfall profits provided the resources to underwrite a classic populist economic model. Government spending propelled massive infrastructure projects, from highways to hydroelectric plants. Expanded social assistance, consumer subsidies, and public-sector hiring improved living standards. According to the World Bank, the percentage of Ecuadorians living in poverty fell from 37.6 percent in 2006 to 22.5 percent by 2014. The ranks of the middle class grew to more than a third of the population.

Prosperity, however, was accompanied by authoritarianism. Buoved by the economic good times. Correa was reelected twice and used his presidential bully pulpit and enhanced powers to lash out against those who challenged his brand of revolution. Environmentalists, indigenous activists, journalists, and human rights defenders took the brunt of verbal and legal attacks. The government's harassment assumed various forms: defamation lawsuits, fines, and criminal prosecutions. By 2013, the deterioration in civil liberties prompted the US monitoring group Freedom House to place Ecuador's media in its "not free" category, alongside those of Cuba and Venezuela. In the absence of any effective oversight by the press or civil society, officials took advantage of opportunities to demand kickbacks on government contracts. Correa's successor, Lenin Moreno, later denounced the "galloping corruption" of that era.

Following a trajectory reminiscent of previous populist episodes in Latin America, the wind went out of the Ecuadorian experiment's sails by late 2015. Collapsing oil prices on international markets depleted government coffers and put the brakes on economic growth. As the magnitude of the decline became clear, street protests multiplied; the president's approval ratings nosedived.

CATHERINE M. CONAGHAN is a professor of Latin American politics at Queen's University, Canada.

"Peru is trapped in a cycle of political instability, which prevents a focus on strengthening democratic institutions."

## Peru's Struggle with the Fujimori Legacy

STEPHANIE MCNULTY

espite strong levels of economic growth and the consolidation of democratic procedures, Peru continues to experience political instability, high-level corruption scandals, pervasive social conflict, and the exclusion of historically marginalized groups from the benefits of development. Why does this country struggle with so many aspects of governance after almost two decades of stable democratic rule?

Part of the answer lies in the long-term legacy of Alberto Fujimori. Peru's autocratic leader from 1990 to 2000. After being elected to the presidency in 1990, he set out to systematically dismantle democratic institutions and implemented one of Latin America's deepest-reaching packages of neoliberal economic reforms, leaving behind weakened political institutions and exclusionary economic structures. Partly due to the Fujimori family's enduring political power, subsequent leaders have not been able to overcome this problematic legacy. This was shown once again at the end of 2017, when Fujimori was released from prison thanks to a controversial pardon.

Contemporary Peru is a cautionary tale for countries around the world led by what the late Argentine political scientist Guillermo O'Donnell called "delegative democrats." These are elected leaders such as Fujimori who deconstruct political institutions, mostly through constitutional means, to consolidate their own power (hence power is essentially "delegated" to the executive).

The troubles facing Peru suggest that the negative ramifications of these regimes can last for decades after a country returns to democracy. Of course, it is important to note that none of these problems emerged solely as a result of Alberto Fujimori's rule; weak institutions, social exclusion, and corruption existed well before 1990. They can be traced as far back as the colonial period and through 150 years of alternating military and civilian governments. However, during his time in office, Fujimori's antidemocratic actions exacerbated flaws in existing political, social, and economic structures in ways that continue to hamper the country's progress today.

What is happening in Peru suggests that observers need to think systematically about the nature of political transitions after "delegative democrats" step down, much as scholars did when Latin American military regimes fell from power in the late 1980s and 1990s in places like Chile, Argentina, and Brazil. Many experts analyzed how the paths to and from those transitions affected countries' development in the short and long terms. The legacies of leaders who were subsequently elected to power and then restructured the political system to serve their own goals in countries like Peru, Ecuador, and Venezuela have not yet been as thoroughly studied.

#### POLARIZED POLITICS

After Fujimori fell from power in 2000, an interim government led by Valentín Paniagua ushered in a transition back to democracy. Peru's first indigenous president, Alejandro Toledo, was elected the next year and promised to restore institutions battered by Fujimori's rule. However, neither Toledo nor his successors, Alan García (2006-11) and Ollanta Humala (2011-16), managed to reform institutions such as the judicial branch, political parties, and Congress. At the end of their terms, all three presidents were extremely unpopular. Most Peruvians viewed them as weak and corrupt leaders (and all three have since faced corruption investigations). None of them encouraged the empowerment of a civil society sector that could hold politicians accountable. Insecurity, conflict, and crime continued to worsen across the country.

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"A focus on the various factors shaping climate adaptation over time—particularly the social, economic, and political dimensions—fosters a reframing and broadening of the climate change problem."

# Adapting to Climate Hazards in the Peruvian Andes

MARK CAREY AND HOLLY MOULTON

In November 2017, lawmakers and climate activists from around the world met in Bonn, Germany, for the twenty-third annual United Nations Climate Change Conference, or conference of the parties (COP 23). US President Donald Trump's recent withdrawal from the Paris Cli-

Changing with the Climate

Fifth in a series

mate Agreement had created a palpable sense of anxiety. Media coverage echoed this concern: to limit future atmospheric warming to 2 de-

grees Celsius, the world's largest emitters, including the United States, China, and Europe, would
need to achieve strict emissions-reduction goals.
The Bonn meeting also included discussions on
climate adaptation, local communities, and indigenous peoples. Yet the mainstream media barely
covered these meetings, focusing instead on the
status of the Paris Agreement and emissions targets. While such an emphasis on mitigation is
critical for global climate policy, it tends to eclipse
consideration of the human dimensions of climate
change.

The emissions framing can cast climate change as an issue to be solved with technologies and policy instruments by the Global North—by the same countries and companies that created the climate problem in the first place. In this portrayal, local communities and developing nations are pushed to the sidelines to watch passively as their fate is decided in places like Bonn and Washington. Such a narrative overlooks local and regional histories

of adaptation to environmental change. It neglects the root causes of human vulnerability to climate change. And it perpetuates global power imbalances that privilege the Global North, leaving behind the rest of the world.

News coverage beyond the COP meetings has often featured similar narratives: that people on the front lines of climate change, especially those in developing nations, are victims waiting helplessly or ineptly for outsiders to fix the problem. They are credited with no ingenuity and little successful collective action.

One locale that often appears in the mainstream media as a bellwether of climate change is Peru's Cordillera Blanca mountain range, including the communities at the base of its 6,000-meter (22,000-foot) peaks, which have borne witness to the catastrophic effects of melting glaciers in floods, avalanches, and water scarcity. An August 2017 Washington Post article, for example, referred to the Cordillera Blanca as "a laboratory for adapting to climate change." The headline asserted that "it's not going well," which the article suggested is due to a confluence of Peruvian ineptitude, superstitious beliefs, and unstoppable glacier melting.

Efforts to prevent glacial lake outburst floods in the Cordillera Blanca and protect the downstream city of Huaraz have indeed faced setbacks in recent years. Yet the Post's account lacked historical perspective and misrepresented the Peruvian government's active and innovative responses to climate change and ice loss since the 1940s. Peruvian engineers have studied glaciers, monitored glacial lakes, and developed comprehensive flood-prevention techniques that led to the partial drainage and damming of 35 dangerous Cordillera Blanca glacial lakes. These engineers have prevented numerous deadly outburst floods, be-

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"Afro-Cubans, who were once considered the backbone of the revolution, for the most part are being left out of the island's new opportunities . . ."

## Race and Rising Inequality in Cuba

KATRIN HANSING

A lmost 60 years after the triumph of its revolution, Cuba is undergoing fundamental transformations. The changes started with the severe economic crisis that followed the fall of the Soviet Union. Today, the revolution's celebrated achievements of relative socioeconomic equality, full employment, and high-quality, universal health care and education belong to the past. The island nation is faced with growing unemployment, rising poverty, deteriorating social services, and widespread corruption. It also has a largely octogenarian political leadership and a young, deeply frustrated population.

As the declining role of the state and the introduction of market mechanisms drive economic changes, new social stratifications are emerging. They are becoming entrenched along clearly visible racial lines. Inequality and race, which were both enmeshed with social divisions in prerevolutionary Cuba that the communist regime fought hard to eliminate, have once again become major, overlapping problems.

Racial inequality and racism have been an integral part of Cuban society since the Spanish conquest. Africans were brought to Cuba as slaves starting in the sixteenth century. More than 600,000 were imported in the nineteenth century, when Cuba emerged as a prosperous Spanish sugar colony. The introduction of sugarcane permanently changed Cuban society. It shaped everything from race and class relations to property rights and labor systems to culture and identity.

After the abolition of slavery in 1886 and during the republican period (1902–59), race continued to determine people's legal and social rights and their economic status. It defined how individuals were judged and treated. AfroCubans were still discriminated against and systematically excluded from higher positions in employment, public service, and politics. They comprised the majority of the island's working class and poor.

When guerrilla forces led by Fidel Castro overthrew the authoritarian regime of Fulgencio Batista in 1959, the race question was almost entirely subsumed under a nationalist and subsequently socialist ideology. The revolutionaries moved quickly to dismantle institutional racism and other forms of social and legal inequality. The 1976 constitution explicitly prohibited any discrimination based on race.

The revolutionary government approached the issue of race with a Marxist perspective on history and society. Accordingly, it assumed that the elimination of private property and class exploitation would eventually cause racial discrimination to disappear. Private property was abolished in Cuba in the early 1960s. Under the measures implemented by the revolutionary regime, the Afro-Cuban population gained access to most workplaces, to education, and to recreational facilities for the first time.

Despite these changes, the communist government did not seek to eradicate Cuban society's deeply ingrained culture of racism. Instead, the revolutionary rhetoric of unity and equality preserved an official silence regarding race-related matters. This silence has contributed to the survival of racist ideologies and stereotypes in Cuba. For what disappeared from public discourse remained deeply rooted in the private realm, where race continued to shape social relations.

Nevertheless, by the 1980s Cuba had become a relatively egalitarian society. It had low levels of racial inequality in key areas of professional and social life. The revolution had instilled an ideal of egalitarianism that was shared by most of the population.

KATRIN HANSING is an associate professor of sociology and anthropology at Baruch College, City University of New York.

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