



WASHINGTON REPORT ON THE HEMISPHERE

THE BI-WEEKLY SOURCE FOR WESTERN HEMISPHERIC NEWS, ANALYSIS AND OPINION

IN THIS ISSUE

Same Old Talk: Development Without a Conscience 1

What Protestants Bring to Brazilian Politics 3

The Argentine and Uruguayan Tiff 5

COUNTRY BRIEFS

Dominican Republic 7

Peru 8

Same Old Talk: Development Without a Conscience

This analysis was prepared by COHA Senior Research Fellow Ronn Pineo and Research Associate Justin Loza

Author and Activist Dr. Marc Becker, was in the Washington area recently to speak at Towson University and attend the Historians Against the War conference in Baltimore. Becker, an expert on Ecuador, teaches Latin American history at Truman State University in Missouri and is co-founder of *NativeWeb*, a key internet resource on indigenous peoples around the world. Becker's book, *Pachakutik: Indigenous Movements and Electoral Politics in Ecuador* (Rowman & Littlefield, 2011) is especially timely, with its searing critique of the economic policies of Rafael Correa, the left leaning president of Ecuador since 2007.

'Red' versus 'Green' Split

According to Becker, President Correa has failed to live up to promises made to indigenous people and to supporters of the environmental movement. It is a 'red' versus 'green' split, Becker explains, with the 'red' being those favoring Correa's socialist-oriented policies versus the 'green' environmentalists who question the environmental sustainability of Correa's economic policy choices. The issue is mining in environmentally sensitive Amazonian and pristine mountain regions. Correa wants to bring in foreign companies to exploit copper, gold, and oil resources, while locals and those in Ecuador's green movement object to the mess the extractive operations create. Correa, however, with the wind in his sails after his latest electoral victory, is determined to barge ahead with his resource extractive model, using the revenues generated to fund his ambitious social spending priorities. "What are the limits to growth?" Becker asks. "With limited resources in Ecuador, this type of extractive development strategy is completely irresponsible." In its place, Becker insists that, "we must rethink models of growth and sustainability. The issue is, how can we rethink matters to make the economic structure more sustainable?"



Raising Money to Pay for Social Programs

Under Correa, the number of those living in poverty in Ecuador has fallen from 37 percent when Correa first took office in 2007 to 28.6 percent in 2011 (World Bank estimates). To achieve this gain, Correa has launched an array of social programs, from conditional cash transfers to the needy, assistance to first-time homebuyers, and a reduction



in bank fees. However, these policies come with a price tag, and Correa has had to find inventive ways to pay for the expensive programs. His solution: rapid expansion of mining operations.

To critics like Becker, Correa’s extractive policies are tantamount to a double-cross. Becker holds that the President is flatly contradicting the clear intent of the new constitution proclaimed in 2008. This document, for which Correa fought so effectively, granted specific rights to nature, something that no other state had accomplished. Now Correa’s actions indicate that he has abandoned any commitment to protecting Ecuador’s environment.

Instead, according to Becker, Ecuador under Correa has embraced the Chinese model of fast and dirty resource extraction, dropping any pretense of concern over the environmental or the cultural havoc left behind. Desperate for development funds, Correa is letting the dirt fly. For his part, Correa has been harshly dismissive of his many opponents, challenging them to come up with another way to pay for his social reform agenda. Correa characterizes his environmentalist opponents as naïve dreamers, critics who insist on sending Ecuador back to the Stone Age.

Opposition to the Extractive Model

Vocal opposition to oil development tends to concentrate in the oil extraction zone in the northeast, while resistance to copper and gold mining is found chiefly in the highlands, especially in the southern region around Loja. Likewise, flower production in the northern sierra has raised serious concerns from surrounding communities because large quantities of water have been redirected to support this high-value export commodity.

Ecuador’s largest indigenous organization *La Confederación de Nacionalidades Indígenas del Ecuador* or the Confederation of Indigenous Nationalities of Ecuador

(CONAIE) has long pushed a series of environmental demands, one of them being respect for indigenous water needs. In a March 2012 victory, CONAIE drew international attention to environmental despoliation and local water rights. Protestors staged a walk across the country, marching from Loja to Quito, snarling traffic all along the route.

Sierra gold mining places heavy demands on Ecuadorian water supplies, using even more water than flower production and generating torrents of toxic run-off. Some critics of the large-scale mining operations backed by Correa prefer instead artisanal, or small-scale, extraction operations

because it presents locals with an opportunity to earn a living from mining gold. From an environmental perspective, however, artisanal gold mining can be as bad or even worse than large-scale mining. The trouble is that most miners, large and small, use cyanide in the extraction process. Although “cyanide is recyclable, it contaminates

and pollutes its milieu,” Becker notes. In addition, artisanal miners often operate illegally, getting in and out fast. Larger mining operations operate in known locations and can therefore be monitored and held liable if they violate the law. Correa contends that black market artisanal miners are much harder on the environment than are large mining concerns.

Conclusion

Becker admits that Correa’s policies have been pragmatic and socially conscious, and have “benefitted the common people... He is making tremendous progress and ... has created a government that implements social regulations that protect the people.”

These gains notwithstanding, Becker continues to question Correa’s overall policy direction, and is especially critical of the president’s handling of the social revolts triggered by his extractive economic model. According to Becker, Correa has “engaged in a strategy of repression” and a

“These are human issues that affect all of us who want to live on this earth in symbiotic equilibrium with nature.”



“criminalization of social protest.” Moreover, Correa’s economic policies focus only “on trading long-term survival for short term benefits... and as such are irresponsible and not sustainable.... This is not just an Indigenous issue”, concludes Becker. These are human issues that affect all of us who want to live on this earth in symbiotic equilibrium with nature.

For Ecuador and beyond, the question remains to be answered: What are the limits to growth? One could argue that the means for achieving needed change to the system are in place. Still, to achieve transformation, it will take a common effort, one that begins by accepting the intrinsic value of nature, in and of itself.

What Protestants Bring to Brazilian Politics

This analysis was prepared by COHA Research Associate Darya Vakulenko

Evangelical and Catholic Churches in Brazil

The media has extensively covered the growing percentage of the Brazilian population that has converted from Catholicism to Evangelical Protestantism. On December 5, 2012, COHA published an article on the historical background of the rise of the Evangelical Church in Brazil. However, the fact that the evangelical influence has been growing in the Brazilian political sphere is not widely known abroad. This article focuses on Brazilian evangelical politicians and their political influence in the country.

The number of followers of the Protestant Church in historically Catholic Brazil has grown exponentially since 1970, when nearly all Brazilians called themselves Catho-

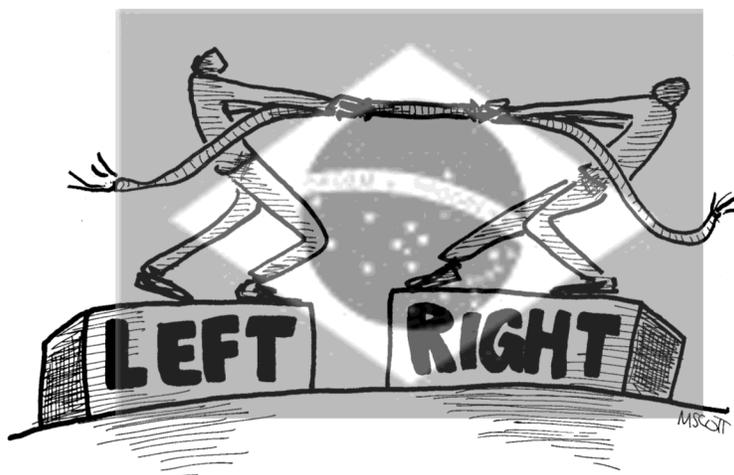
lic and only four percent considered themselves Evangelical. With this growing number of evangelicals, the political power of the Evangelical Church is growing too.

While writing about the importance and the increasing presence of Evangelical Protestantism, the second largest Christian denomination in Brazil, it is helpful, however, to still be aware of the historical importance of the Catholic Church in the country. The Catholic Basilica in Aparecida, located between São Paulo and Rio de Janeiro, is the world’s second largest, after St. Peter’s in Rome. There are nine Brazilian cardinals corresponding roughly to the fact that Brazilian Catholics represent ten percent of the Catholic population worldwide. According to the Berkley Center for Religion, Peace and World Affairs, even after a “strictly secular” republican constitution was adopted in 1889, the Catholic Church remained politically influential through the late 20th century.

Nevertheless, not all Catholics in Brazil actively practice their religion. Most Brazilians are commonly baptized and married in the Catholic Church, but according to the National Conference of Brazilian Bishops, only 20 percent of Catholics attend Sunday Mass and participate in church activities on a regular basis. This low attendance and participation clash with the “hands-on” experience offered by the Protestant Church. Maria Gerlaide, who attends an evangelical church in Rio de Janeiro, put it best when she said that in her church “pastors are much closer to the people. They talk to you, they are approachable, they spread the word, explain what we’re reading. They show you things you don’t see in the Catholic Church.”

Almost an Evangelical President: Anthony Garotinho

The first real evidence of the influence that Protestantism has gained in Brazilian politics was the presidential campaign of Anthony Garotinho in 2002. It was the first in-





stance of a politician at the national level declaring he was not Catholic, but Protestant. Anthony Garotinho, nicknamed “Little Boy,” is a Presbyterian politician who rose to prominence after governing the state of Rio de Janeiro from 1999 to 2002. In the 2002 Presidential elections he finished third with almost 18 percent of the vote, which equated to more than 15 million votes. Until 2005, Garotinho and his wife, Rosinha Garotinho—who took over the seat of the Governor of Rio De Janeiro in 2002 following her husband—formed the ultimate power couple in Brazilian politics.

In the end, their collaboration caused more trouble than good to Brazil’s perception of evangelical politicians. Anthony Garotinho, Rosinha Garotinho, and Álvaro Lins were acquitted of money laundering and corruption, they broke the Brazilian electoral law by redistributing public housing and social help in a bid to gain electoral support. Anthony Garotinho served two and a half years in prison and Rosinha Garotinho was banned from politics for three years. Álvaro Lins, a former member of Congress and the head of the Civil Police, was sentenced to 28 years in prison for armed conspiracy. Brazilian society was deeply disappointed with their actions, and additional pain was caused by the crush of expectations that a female politician was “immune” to corruption.

Influence on National Politics

The increasing influence of evangelists in national politics in Brazil is apparent in shifts of the electorate preference over the last three years. In the 2010 general elections, the *Partido Social Cristão* or Christian Social Party, which consists mostly of evangelical pastors or followers of evangelical churches, doubled its presence in the Chamber of Deputies. Moreover, as the deputy Ronaldo Fonseca from the evangelical *Partido de República* or the Party of

the Republic, said in an interview, there is a powerful block of 73 conservative deputies in the Brazil’s 594-member Congress.

Another manifestation of the growing influence of the evangelicals was evident in the presidential elections in 2010. The current president, Dilma Rousseff, hand-picked by the former president, Luiz Inácio Lula da Silva, did not win in the first round of presidential elections as expected, largely because evangelical voters refused to support her. Later in 2011, the block of conservative evangelical politicians, which represented about ten percent of all members of the Congress, was able to “kill” President Rousseff’s

“...the Evangelical politicians within the Brazilian political sphere are notably conservative and eager to apply their religious principles and rules to the general population.”

plan to supply schools with anti-homophobia educational materials. Those educational materials, approved by United Nations Educational, Scientific, and Cultural Organization (UNESCO), included books and videos promoting social acceptance of homosexual behavior. The initiative was finally withdrawn in May 2011.

The most recent provocative declaration by Marco Feliciano, a member of the evangelical Christian Social Party, drew sharp critique and outrage from Brazilian society. Feliciano, a pastor as well as a politician, wrote on his official Twitter account comments that “the curse that Noah cast on his grandson, Canaan, spills over on the African continent.” He also remarked that homosexual feelings lead to “hatred, crime, [and] rejection.” These unprecedented comments led to protests in Brazil and abroad. Adding to the controversy was the fact that Marco Feliciano is the President of the Human Rights and Minority Commission of the lower house of the Congress. The Commission oversees human rights and the rights of the minorities in the country. Regardless of his remarks, Feliciano will stay in his position, due to the institutional rule preventing the premature replacement from this office.



The Argentine and Uruguayan Tiff

This analysis was prepared by COHA Research Associate
Jennifer Aron

In the majority of issues, the Evangelical politicians within the Brazilian political sphere are notably conservative and eager to apply their religious principles and rules to the general population. Their supporters indeed expect conservative policies toward certain national issues such as marriage and abortion; however, it is doubtful that they have the authority to apply those restrictions over the rest of the less conservative population. Nevertheless, Evangelicals continue to gain more followers through high exposure of their religious television programs and channels, and through their appealing and participative religious services.

Further Role of the Evangelical Followers

The role of the Evangelical Church in Brazil will likely continue to grow, due to the expected decrease in the percentage of the Catholic population. Jose Diniz, a professor at Rio's National School of Statistics, predicts that Catholicism will continue losing its followers and that by 2030, Catholics will represent less than 50 percent of the population, compared to the current 65 percent. This prediction is particularly noteworthy in a global sense, as Brazil currently boasts the world's largest population of Catholics: the Pew Forum estimated that in 2010, there were 126,750,000 Catholics in Brazil, ten percent of all Catholics in the world.

The number of evangelical followers, on the other hand, is continuously growing. According to the Pew Forum, in 2000 the evangelical population was 15.4 percent of the total Brazilian population. In 2010 that number grew to 20.8 percent. Today, the evangelical population of Brazil forms 5.1 percent of world protestant population. The trend is expected to continue in the future and with it, the political power of evangelicals in the parliament will grow. It is entirely possible that someday Brazil will elect an evangelical president.

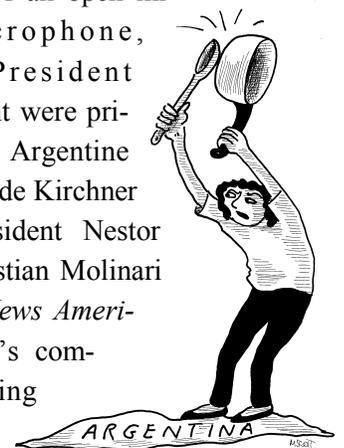
Relations between Uruguay and Argentina span hundreds of years. As Luis Roniger and Mario Sznajder observed in *The Politics of Memory and Oblivion in Redemocratized Argentina and Uruguay*, “[the countries] share a history of Spanish colonization, political independence in the early nineteenth century, a sociodemographic configuration with salient immigratory components since the late nineteenth century, and a society modeled on Western ideas of development.” However, tensions between the two countries

have spawned political and economic points of contention. Lately, however these tensions have risen to the surface as a result of recent comments made by Uruguayan President José Mujica Cordano.

Open Mic Comments

Earlier this month, during a news conference and in front of an open microphone, President

Mujica made what he thought were private comments regarding Argentine President Cristina Fernandez de Kirchner and her late husband President Nestor Kirchner. According to Christian Molinari of *BN Americas (Business News Americas)*, translations of Mujica's comments range from calling Fernández de Kirchner an “old hag” to simply an





old lady. Mujica also said that Fernández de Kirchner was even worse than “the cross-eyed man” (her deceased husband). Consequently, the translations of the comments range in severity. The fact that the comments were made at all reveals Mujica’s current frustration with Argentina. *Latin News* reported that the comments prompted Argentine foreign minister Héctor Timerman to send a note to the Uruguayan Foreign Minister stating that they were “denigrating and unacceptable” and that they “offend the memory... of a deceased person by someone that Dr. Kirchner considered a friend.” Mujica was initially reluctant to apologize; instead, he emphasized the countries’ close ties. Only days later, on April 11, Mujica ended up apologizing via a Uruguayan M24 radio broadcast, claiming the comments stemmed from his rough past as a guerilla fighter and time in prison. Mujica may have had a turbulent past, but these comments are illustrative of the ongoing tiffs between Argentina and Uruguay.

Argentina v. Uruguayan Paper Mills

In 2007, Uruguay built two paper mills on its side of the Uruguayan/Argentine border, which led to a three year long disagreement, during which Argentina alleged the paper mills were polluting the border river. The International Court of Justice (ICJ) found that the mill was not polluting the Uruguay River, but that Argentina should have been informed prior to the mill being built. Argentina responded predictably by demanding an apology from Uruguay. Unlike the current incident, Uruguay never apologized for the paper mills and even indicated it would build additional mills. Uruguay and Argentina have agreed, however, to monitor the paper mills for pollution.

Argentine and Uruguayan Economic Issues

Argentina’s currency is another point of contention between the two nations. Argentina has virtually banned the

purchase of foreign currency and the use of credit cards abroad by means of a 15 percent tax on credit and debit cards which has greatly discouraged the use of Argentine currency outside the country for tourism. This has hurt the Uruguayan tourist industry, which has historically been largely supported by Argentines. International Monetary Fund (IMF) figures for 2011 reveal that Argentines generated \$800 million USD for Uruguay’s tourism sector and

“With Argentina’s internal restrictions negatively affecting Uruguay’s economy, it is not surprising that Mujica is not pleased with Kirchner .”

that 30 percent of Uruguay’s Foreign Direct Investment came from Argentina. More recently, *Merco Press* reported that from December to February “the number of foreign tourists arriving in Uruguay was 6 percent less than a year ago, because of the significant decrease in the number of Argentines visiting Uruguay.” With Argentina’s internal restrictions negatively affecting Uruguay’s

economy, it is not surprising that Mujica is not pleased with Kirchner.

Argentina’s domestic economic focus is not new. Roberto Bendini, for *the European Parliament’s Directorate-General for External Policies* wrote,

after 1945 Argentina decided to reduce its foreign trade exchanges... Argentina chose not to participate in the unprecedented expansion of international trade that followed the end of Second World War. Instead, Buenos Aires embarked on an ambitious process of import substitution industrialization that resulted in often uncoordinated cycles of economic expansion followed by sharp recessions

Some would argue that these Argentine policies are not only weakening the country’s economy, but they are hurting Buenos Aires. The government claims that inflation is 10 percent, while in it is more likely to be 24 percent--something the global community and IMF are not pleased about.



Where Argentina and Uruguay Can Go From Here

Argentina's economic instability has carried over to the Uruguayan tourist industry, most likely prompting Mujica's offensive comments. Even with both the Argentine and Uruguayan governments publically vocalizing their grievances, the two countries will remain intertwined politically and economically. If Montevideo and Buenos Aires want to politically and economically strengthen their countries, they need to learn to play nice, or at least pretend to; otherwise they can be expected to face greater economic turmoil.

USD in the Dominican venture, making this project the largest foreign direct investment in the country it has ever received.

While this venture poses a significant opportunity for the small nation, the deal has already been mired in controversy. On April 17, dozens of people took to the streets of Santiago, a city in the wealthiest region of the country, calling for the Dominican government to expel Barrick Gold. The protesters decried the government's recent attempt to renegotiate terms of the mining contract with Barrick. Since the company began production at Pueblo Viejo in January, the Dominican government was slated to receive royalties based on the mine's profits, but Barrick deferred these payments until the corporation achieved a profit margin of at least 10 percent. President Danilo Medina personally attempted to renegotiate these terms by "convincing the company of the need and urgency of correcting the current value-sharing scheme," but his efforts

have been unsuccessful. In the eyes of the Dominican public, Barrick Gold "has mocked the Do-

minican people" by exploiting a natural resource that, among other benefits, has the potential to save the country from its high unemployment rate, which is currently at 14.7 percent. The Dominican Republic has the opportunity to improve their slumping economy through this venture, but unless the government can convince the gold mining power

house that is Barrick Gold to renegotiate the terms of their agreement, the Dominican Republic will be losing out on a major share of the value of this profitable material.

COUNTRY BRIEFS

Dominican Republic

Over the last 10 years, the expansion of mining in Latin America has drawn the attention of international investors. The Dominican Republic currently is the most sought-after mining site, topping many other gold-rich mining sites such as those in Australia and Canada. The state-owned mining company of Rosario Dominicana originally operated the mining site of Pueblo Viejo, which opened in the country in 1975. There was a ten-year suspension of extraction between 1991 and 2001 due to a drop in gold prices; however since then, business has been booming. In 2001, Placer Dome gained control of the abandoned mine until 2006, when it was taken over by two corporate mining companies: Barrick Gold, the world's largest mining company, and Goldcorp. The two Canadian based companies entered into a joint venture, with Barrick owning 60 percent and Goldcorp 40 percent. They aimed to cash in on the Dominican Republic's estimated 25.3 million ounces of gold. Since the mine's opening, the companies have invested nearly \$4 billion



This analysis was prepared by

COHA Research Associate Megan Cowell



Peru

Reports regarding Peruvian economic growth have led to worries that the Andean nation's economic expansion might be losing momentum. The Peruvian National Statistics Institute (Inei) recently released troubling figures, which showed that year-on-year growth in February was 4.98 percent, somewhat lower than the private sector forecast of 5.7 percent. Furthermore, the latest figure is much lower than the 6 percent growth rate that the country has maintained over the last decade. Peru's propitious economic growth over the last



few years has been fueled primarily by foreign investment in mining and infrastructure, export revenues, and growing public investment. However, looming concerns over the continued stability of the nation's currency and the continued failings of the Peruvian education system are undermining this continued growth.

Peru has experienced remarkable rural development throughout the last decade. Richard Webb, the former president of Peru's Central Bank, recently released a study arguing that one of the main factors in the democratic failures of development in the country's high Andes region in the past was the region's geographic isolation from urban centers. However, this handicap has greatly diminished. A survey of 176 of the poorest rural districts in the country reveals that from 2001 to 2011, the day rate for rural laborers improved by 73 percent and that travel times to the nearest urban center were halved, mostly due to huge investments in infrastructure which began in the 1990s. In addition to this transforming landscape, Mr. Webb estimates that in the past 20 years, rural income per person has grown by 7.2 percent, whereas urban income has only risen by 2.8 percent. Although the latest economic report may be prompting concern, the ongoing transformation of rural Peru can be counted on to continue to fuel the country's present tempo of economic growth.

*This analysis was prepared by
COHA Research Associate Erik Svedberg*



Council On Hemispheric Affairs

1250 Connecticut Ave. NW

Suite 1C Washington, DC 20036

Phone: 202.223.4975 E-mail: coha@coha.org

Fax: 202.223.4979 ISSN: 1275-559

Washington Report on the Hemisphere

© 2013 Published Biweekly

(22 Issues per Year Plus an Index)

by the Council on Hemispheric Affairs

April 29, 2013 Vol. 33, No. 06

Chairperson: Wendy Raymont

Editor-in-Chief: Larry Birns

Chief Copy Editor: Wendy Raymont

Managing Editors: Amandha Lopes and Erik Svedberg

Subscription Manager: Amandha Lopes

Art Director: Margaret Scott

Senior Research Fellows: Sean Burges, Ph.D; Greg Grandin, Ph.D; Chris McGillion; Frederick B. Mills, Ph.D; Morris Morley, Ph.D; Ronn Pineo, PhD

Research Fellows: Eloy Fisher; Guy Hursthouse; Megan McAdams; Alex Sanchez; Eric Stadius

Research Associates: Mariah Lieser; Megan Cowell; Shannon Duggan; J.T. Larrimore; Justin C. Loza; Erik Svedberg; Darya Vakulenko; Kimberly Bullard; Jennifer Aron; Amandha Lopes; Kyongwon Kim; Pamela F. Izaguirre

*Requests for bibliographic information
may be directed to coha@coha.org*

To subscribe to the Washington Report on the Hemisphere,
please contact our Subscription Manager via e-mail at:

coha@coha.org

The Council on Hemispheric Affairs, founded in 1975, is a non-profit, tax-exempt research and analysis organization that monitors political, economic, and diplomatic issues affecting the Western Hemisphere. For more information on COHA's activities, please visit our website:

www.coha.org