

**SUMMIT OF THE AMERICAS: A REGIONAL
STRATEGY FOR DEMOCRATIC GOVERNANCE
AGAINST CORRUPTION IN THE HEMISPHERE**

HEARING

BEFORE THE

SUBCOMMITTEE ON WESTERN
HEMISPHERE, TRANSNATIONAL
CRIME, CIVILIAN SECURITY,
DEMOCRACY, HUMAN RIGHTS,
AND GLOBAL WOMEN'S ISSUES

OF THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

—————
APRIL 10, 2018
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Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.govinfo.gov>

U.S. GOVERNMENT PUBLISHING OFFICE

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**SUMMIT OF THE AMERICAS: A REGIONAL
STRATEGY FOR DEMOCRATIC GOVERNANCE
AGAINST CORRUPTION IN THE HEMI-
SPHERE**

TUESDAY, APRIL 10, 2018

U.S. SENATE, SUBCOMMITTEE ON WESTERN HEMISPHERE,
TRANSNATIONAL CRIME, CIVILIAN SECURITY, DEMOC-
RACY, HUMAN RIGHTS, AND GLOBAL WOMEN'S ISSUES,
COMMITTEE ON FOREIGN RELATIONS,

Washington, DC.

The subcommittee met, pursuant to notice, at 10:02 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Marco Rubio, chairman of the subcommittee, presiding.

Present: Senators Rubio [presiding], Gardner, Cardin, Shaheen, and Kaine.

**OPENING STATEMENT OF HON. MARCO RUBIO,
U.S. SENATOR FROM FLORIDA**

Senator RUBIO. The hearing of the Subcommittee on Western Hemisphere, Transnational Crime, Civilian Security, Democracy, Human Rights, and Global Women's Issues will come to order. The title of the hearing is, "Summit of the Americas: A Regional Strategy for Democratic Governance Against Corruption in the Hemisphere."

We are going to have one nongovernmental panel testifying today with the following witnesses: Mr. Eric Farnsworth, who is the Vice President of the Council of the Americas, and Mr. Eric Olson, who is the Deputy Director of the Latin American Program at the Wilson Center. And I want to thank both of them for being here today.

Both the ranking member, Senator Cardin, and I agree that this is a hearing that is timely, and it comes at a critical moment for the region. This week, the Eighth Summit of the Americas will be held in Lima, Peru. The President was scheduled to attend. It has now been announced that, because of events in Syria and the U.S. response, he will not be attending, but the Vice President will be attending in his stead. And his attendance at the highest levels of the American government, with the Vice President attending, is an opportunity to demonstrate this administration's continued commitment to the region.

The theme of the summit is anticorruption in the hemisphere. At the summit, it is my hope that the Vice President will build on this theme by promoting and showing the willingness of the United

States to help our allies in the region build the capacity for good government practices.

In addition, I also hope the Vice President will outline for our neighbors his commitment to actively partner with our regional partners on three important initiatives: regional security partnerships to take on transnational criminal networks; ensuring the fair treatment of U.S. businesses and firms in the region; and promoting the United States as a partner of choice over external state actors like China and Russia, who actively engage in unfair and predatory business practices in the region and around the world.

But there is little doubt that the situation in Venezuela will and should be the dominant issue at this Eighth Summit of the Americas. Venezuela, under the regime of Nicolas Maduro, as well as his cadre of other corrupt officials, has systematically dismantled the institutions of democracy in Venezuela. He created a fraudulent Constituent Assembly made up of loyalists to supersede the legitimately elected National Assembly.

Instead of providing food and medicine for his people, he has purchased Chinese-made antiriot vehicles and equipment for the National Guard to use to suppress protesters. He has enabled and encouraged the rise of pro-government gangs known as *colectivos* to repress protests through murder and to intimidate voters on election days.

He has weaponized food. Venezuelans are required to provide government-issued identification to buy food or to receive government-issued food and medicine. Maduro uses these identifications to reward supporters with access to food and medicine, and to punish and intimidate opponents and their families by denying them food and medicine.

He has used corruption as a weapon by rewarding loyal senior military officers with lucrative corruption opportunities, putting them in charge of the national oil company and of the distribution of critical consumer goods, which they can then resell on the black market or take for themselves.

He has used his neighbors in Colombia and increasingly Brazil as a relief valve by allowing over 50,000 Venezuelans a day to cross borders to buy food that is unavailable in Venezuela.

And just like his mentors in the Castro regime—they have done this since 1959—he has used migration as a weapon. Since 2014, over 2 million Venezuelans, the vast majority of them opponents of the Maduro regime, have abandoned Venezuela.

This well-orchestrated strategy to replace Venezuela's democracy with a dictatorship has all occurred under the guidance of his puppet-masters in Havana. It is both ironic and lamentable that a summit which is supposed to be a gathering of the democratic nations of the region has invited the Cuban dictatorship, which has authored the Venezuelan tragedy and the Cuban one before it, and a country which harbors fugitives of American justice, including the killer of a New Jersey police officer, and invites them to be a participant in all of this.

However, it is promising that the summit's host country, Peru, has rescinded the invitation to Maduro to participate in this year's event.

I encourage the Vice President to outline several initiatives to promote the restoration of democracy in Venezuela and to end the suffering of the Venezuelan people. The ranking member and I have worked on a couple of these already in a bill that we hope we can get passed on humanitarian aid.

The first is I urge him to announce that the United States is prepared to make an immediate and substantial contribution to a regional and international effort to provide food, medicine, and other humanitarian assistance to the people of Venezuela right now, so long as that aid is distributed by credible nongovernment organizations, and not taken by the government to be used the way they are using food and medicine now.

Second, it is my hope that the Vice President will announce that the United States is prepared to make a substantial contribution to a regional and international effort to help rebuild Venezuela once it has conducted free and fair elections, and the President has abolished the illegitimate Constituent Assembly and has restored the legitimate, elected National Assembly.

And third, I hope the Vice President openly calls on the nations that are members of the Organization of American States to expel the undemocratic Maduro regime from the OAS, a collection of democracies.

Venezuela and Cuba are not the only threats to democracy in the hemisphere. Corruption is as much a threat to democracy as any single government, and there is no nation-state that contributes more to corruption in this region than the Government of China.

The Chinese Government is using bribery as a way of gaining contracts in the region and as a way of gaining political leverage to force nations to support their agenda, such as cutting off relations with Taiwan, and also as a way of creating an unfair playing field for American companies who seek to do work in the region.

I urge the Vice President to make it clear that this is unacceptable and that it will be a priority of this administration to aggressively confront the corrupt practices of the Chinese Government and Chinese-controlled firms in our hemisphere.

In addition, the summit also provides an opportunity to demonstrate that America intends to be not just a good neighbor but a reliable ally and partner with our friends in this region. As evidence of this, I urge the Vice President to recommit our support for the Alliance for Prosperity with Honduras, Guatemala, and El Salvador; to recommit support for our trade and security cooperation with our allies in Colombia; and to demonstrate the importance of our vital regional partners in Brazil, a nation that has much to offer as a regional power and to the world by announcing the permanent suspension of tariffs on Brazilian steel and aluminum.

Since January of 2017, I believe this administration has made the Western Hemisphere a priority. Vice President Pence has already traveled to the region last year. He will return now for the summit. Earlier this year, both the previous Secretary of State and the Ambassador to the United Nations traveled to the region. As has been documented, the President made adjustments to our policy toward Cuba, and this President has demonstrated a firm and steadfast commitment to democracy in Venezuela through a series of sanctions against the Maduro regime that have been calculated,

well-targeted, and measured, and that have been done in conjunction with our allies in the region in what I think has been an unprecedented regional response. We have not seen this in decades in our part of the world. And I think this visit by the Vice President to the summit also shows our strong commitment to the region.

This weekend, the Trump administration has an opportunity to demonstrate that its decision to make 2018 the year of the Western Hemisphere are not just words but rather words that are backed up with real actions. This is what I hope they will do, and this is what I believe they will do.

Now, I turn it over to the ranking member, Senator Cardin.

**STATEMENT OF HON. BENJAMIN L. CARDIN,
U.S. SENATOR FROM MARYLAND**

Senator CARDIN. Chairman Rubio, first of all, thank you for not just convening this hearing, but your leadership on these issues. Our subject is a regional strategy for democratic governance over corruption in the hemisphere from the Summit of the Americas, and you have been one of the champions in the United States Senate on good governance and fighting corruption, particularly in our own hemisphere. So I thank you for your leadership, and I thank you for convening this hearing.

You noted that President Trump has decided not to attend the summit due to the circumstances in Syria, and that is certainly understandable, but it is certainly disappointing. Clearly, and you and I talked about this, that the circumstances in Syria require U.S. leadership and response. And yes, I think most will be focused on what type of military action is taken, and I certainly hope the President is in consultation with our allies, and that he recognizes that the response needs to be judged and measured, so that we don't get engaged with U.S. troops into a civil war in Syria itself. We already have military operations in regard to ISIS, and we have to be very careful as to how we conduct that.

But you and I are also in agreement that legislation that we authored on Syria accountability, which has passed through this committee and is on the floor of the United States Senate, that you need to have a coordinated strategy, including holding Mr. Assad responsible for his war crimes. And it is way past time to get that started. The most recent use of chemical weapons I think underscores the importance for us to initiate war crimes—against President Assad.

I would also suggest that we work together on legislation that passed this committee a year ago, that has been enacted into law, that provides the President with additional sanctions that he can impose not just against Russia but Iran. Russia facilitates the Assad regime, and the proxy of the Iranian military is carrying out a lot of these campaigns. So it would be appropriate for the international community to say that we are not going to let President Assad have that type of support without consequences.

So I thank you for your leadership on so many different issues.

The Summit of the Americas does present us a unique opportunity to advance good governance here in our hemisphere. I thought it was interesting, as you pointed out, that the Peruvian leadership decided not to invite the President of Venezuela. That,

to me, was a clear signal about the issues in Venezuela. So I noted that.

But democratic governance is critically important in our hemisphere. We brag that our hemisphere has more democratic countries. The ratios are much higher here than anywhere around the world. So we are proud of our democratic institutions. It is embodied in the democratic charter of the OAS, and it is a fundamental principle.

But corruption will erode democracy, make no mistake about it. It fuels conflict and poverty, and it causes the erosion of rule of law and democratic institutions. I think it is probably our greatest threat in this hemisphere, the rise of corruption.

I think it is more challenging today, Mr. Chairman, I need to admit, because U.S. leadership is critically important, but you look at the respect for the U.S. leadership today on this issue, and it raises major questions. President Trump's approval rate in our hemisphere is 16 percent among our other countries. There are many reasons for that. I am sure his immigration policies are certainly adding to that low number. But it is also the fact that, when you look at the President, the way that he handles his own personal conflicts, and we are trying to deal with anticorruption legislation, you look at the manner in which he criticizes our independent judiciary, you look at what he has done on freedom of the media and criticizing the press, all of that are signs of concerns that we have in other countries where the U.S. leadership is going to be challenged because of what is happening here in our own country.

I am pleased that Congress has taken action. We restored the State Department budget, which was a good thing for us to do, so that we can continue to be major players in our own hemisphere in dealing with anticorruption initiatives and good governance initiatives.

I would suggest that the budget at 100 percent funding is still inadequate. We need to go beyond that. And I hope that this committee will have impact on the appropriators to make sure that there is adequate funding.

The Global Magnitsky law was a major accomplishment on fighting corruption, and I was pleased to see that the administration has used that tool. They used it against the President of Nicaragua's Supreme Electoral Council, Roberto Rivas. I think that was appropriate use of a tool to make it clear that there will be penalties for those who participate in corruption.

We have challenges, there is no question about it. The President of Peru was forced to resign recently because of corruption.

Venezuela, Mr. Chairman, you are right on target there. If you are going to pick the one area that I hope is the prime focus of this summit, I would agree with you, it needs to be Venezuela.

The summit presents us an opportunity. I support your statements in regard to U.S. participation in humanitarian relief. It is desperately needed. I support your call for free, fair, and open elections to restore Venezuela to democracy and call upon the OAS to invoke the charter, because Venezuela is not a democratic state today.

So I am in total agreement with your strategies in regard to the summit focusing on Venezuela.

There are certainly other problems. Central America has been plagued by corruption. I visited Central America 3 years ago and saw firsthand the challenges of that region.

Clearly, Honduras needs attention. The flawed presidential elections we have commented about. The tragic death of Berta Caceres has still not been resolved. We know there is some progress being made, but, clearly, the government has not given that the proper attention.

The legislature recently passed legislation protecting itself against investigations. That should have no place in our hemisphere. And the resignation of the OAS chief anticorruption official is certainly another matter for us to be concerned about.

I want to mention El Salvador because I have been to El Salvador. I know the gang activities there. It is a real challenge for a democratic government to be able to deal with the network of gangs that control so much of the economy of that country.

I really do believe that the administration's decision on TPS is going to make that even more challenging. I am going to question the witnesses as to whether the circumstances in El Salvador have significantly improved enough that those here on TPS status, it would be safe for them to return to their community. My observation is that, no, it has not changed.

But there is a second factor here that I would welcome the views of our witnesses, and that is the return or potential return of those protected under TPS status, what impact does that have on El Salvador, and whether that could cause further destabilization of the government's efforts to deal with good governance in that country.

The bottom line, this is an important hearing. There is much going on in our hemisphere. We are proud of our democratic states, but we know that we have significant challenges on the growth of corruption. What can we do, what can the Congress do, the Senate do, in order to help deal with these issues?

I look forward to hearing from our witnesses.

Senator RUBIO. All right, thank you.

So, Mr. Olson, are you ready?

Mr. OLSON. I am ready.

Senator RUBIO. All right.

STATEMENT OF ERIC L. OLSON, DEPUTY DIRECTOR, LATIN AMERICAN PROGRAM, WILSON CENTER, WASHINGTON, DC

Mr. OLSON. All right, good morning. Thank you, Chairman Rubio, Ranking Member Cardin, and members of the committee. I am glad to be here today to talk about this very important issue on behalf of the Woodrow Wilson Center.

Given our limited time, let me make a couple main points.

From my perspective, it is good news that the Summit of the Americas is proceeding despite the decision of President Trump not to go—we are glad that Vice President Pence will be attending—and despite the resignation of Peru's President Pedro Pablo Kuczynski last month on issues related to corruption. It is important that the region continue to focus and face up to the problems

of corruption, and establishing common expectations across the region is one way to further that agenda.

Nothing could be more urgent. Corruption kills. It drives migration. It undermines the rule of law, which, in turn, threatens human rights, creates insecurity, and erodes economic opportunity. In this context, criminal organizations take root and prosper. And the legitimacy of a state is called into question, leading to more authoritarian and illiberal governments. The United States' interests are undermined in the process.

According to the Americas Barometer from the Latin American Public Opinion survey, support for democracy has decreased by almost 9 percentage points between 2014 and 2016 in the region. Their survey also found that, "The average citizen is more likely to support extralegal actions—coups—to remove elected leaders from office." It is a worrisome trend.

As you all have said, the situation in Venezuela is critical. The Chavez movement that once enjoyed broad popular support has systematically eroded democratic institutions; closed down most independent press; politicized the judiciary, an electoral institution; outlawed political parties, and harassed and jailed political opponents; and, ultimately, destroyed the National Assembly through a fraudulent and bogus election for a Constituent Assembly.

In Central America, corruption has eroded public confidence in most institutions.

In El Salvador, several former Presidents have been under investigation for corruption, with one essentially fleeing the country and seeking asylum in Nicaragua.

In Honduras, the government-appointed police purge commission has dismissed nearly half of the police force for allegations of corruption and failure to meet minimum standards.

And in Guatemala, there is an ongoing attempt to undermine the independence of the attorney general's office and pass new laws to guarantee congressional impunity for corruption.

In fairness, the news is not all bad. Brazil, especially its judicial institutions, has taken the lead in investigating high-level government corruption, most notably in the Odebrecht and the Lava Jato cases. These cases have tentacles and have led to convictions in other countries, including the resignation of President Kuczynski.

Chile, too, has implemented important reforms known as the integrity agenda, setting ethical standards for legislative and executive branches.

Interestingly, Guatemala and Honduras are the only countries in the world to experiment with multilateral mechanisms designed to accompany each country's chief prosecutors. In Guatemala, the United Nations mechanism known as the CICIG has carried out far-reaching investigations with the attorney general, leading to the downfall of a sitting President and Vice President.

Honduras has agreed to a similar mechanism with the Organization of American States, known as the MACCIH. Just in the last couple months, the MACCIH and the country's attorney general's office pressed serious charges against a former first lady, several members of the Honduran legislature, and one of the alleged masterminds behind the murder of Berta Caceres.

But despite these successes, elites in both countries have struck back in various ways by passing laws that shield politicians from investigation or threatened the functioning of the CICIG, the MACCIH, and attorneys general.

Thankfully, the United States in both the Obama and Trump administration have continued strong bipartisan support for innovative mechanisms like the CICIG and MACCIH. Maintaining this support is essential, as long as the governments, and especially their congresses, in both countries continue full cooperation with CICIG and MACCIH.

Let me just say, in conclusion, a little bit about U.S. policy. Promoting rule of law, strengthening democratic governance, and fighting corruption have been central to U.S. foreign policy for decades. Yet, despite these good intentions and hundreds of millions of dollars spent on rule of law programming, there is little evidence that these efforts have succeeded.

This is the conclusion of a far-reaching study entitled, "Frontier Justice: The New Environment for U.S. Rule of Law Assistance," conducted by two former State Department officials, Ambassador Donald Planty and Mr. Robert Perito. We plan to present the report publicly for the first time at the Wilson Center in May, but let me just summarize quickly some of their conclusions.

There is no shared or consensus definition within the U.S. Government about what rule of law is, how to promote it, and what should be done. There is no unified rule of law policy, despite the importance attached to it, in U.S. foreign policy. And this applies across the globe, not just in Latin America.

There is no central or coordinated repository of expertise or knowledge about rule of law in the U.S. Government. And there is no overall coordinator, somebody in charge of promoting a policy of rule of law in the U.S. Government.

All of this leads to divergent views, strategies, and programming that, at times, are contradictory in purpose and execution, leading to great confusion on the part of recipient countries, and undermines U.S. objectives.

I think, in conclusion, since my time has expired, I would just make the following recommendations. The U.S. has an opportunity, and, in particular, the Congress, to promote reform and greater understanding of this issue in the U.S. Government. Congress should consider a series of hearings that assess the extent to which rule of law promotion in U.S. foreign policy has succeeded or failed over the last 40 years. Conclusions from these hearings should form the basis of new legislation that would establish consensus around rule of law policy for the U.S. Government and suggest new ways to organize American foreign policy, so it is consistently applied across the government.

In short, the U.S. Congress should continue to fund programs to strengthen the independence of judiciaries, depoliticize attorneys general offices, and strengthen investigative capacities across-the-board.

Thank you, and I appreciate the opportunity.

[The prepared statement of Mr. Olson follows:]

PREPARED STATEMENT OF ERIC L. OLSON

Good morning, Chairman Rubio, Ranking Member Cardin, and Members of the Committee. Thank you for the opportunity to appear before you today on behalf of the Woodrow Wilson Center.

As you may know, the Wilson Center was created by an act of Congress as our nation's living memorial to President Woodrow Wilson. In the words of Vice President Pence, the Wilson Center is "an institution of independent research and open dialogue and actionable ideas, truly a bi-partisan stalwart here in Washington DC."

With that in mind, I offer the following thoughts and suggestions regarding the upcoming Summit of the Americas, and more specifically about the urgent need for a regional strategy to build democratic governance and weaken the grip of corruption in our hemisphere and around the world.

Let me begin by stating unequivocally that the need for action on democratic governance, strengthening the rule of law, and the fight against corruption is as urgent today as ever. From Mexico to Brazil, Central America to Venezuela, the Andes, Southern Cone, and the Caribbean, democratic protections are being eroded, the rule of law is being challenged, and corruption is undermining security, human rights, and economic prosperity throughout the hemisphere. Each country is at a different stage in their development with some enjoying a modicum of success. Nevertheless, the challenge is daunting and, at times, discouraging when democratically elected presidents, congressional representatives, and ministers of state participate in corruption schemes, like the Odebrecht scandal, and act more like criminals than representatives of the people.

It is ironic that the agenda previously agreed upon for the Summit of the Americas is about democratic governance and regional anti-corruption efforts, and is being held this week in Peru, where former President Kuczynski was the latest and most visible casualty of the Odebrecht scandal. You have to give the region's leaders credit for not shying away from this discussion and agenda, despite the awkwardness for many, including the hosts. Furthermore, the region has largely stood together in denying a seat at the table to Venezuela, where democratic institutions have been systematically eroded and corruption runs rampant.

AN HISTORICAL PERSPECTIVE:

The hoped for benefits of a transition from military and authoritarian rule in the region have been uneven at best, in too many cases hijacked by corruption and undemocratic practices. While there has been progress, it is undermined by cases of grand systemic corruption like those making headlines in Peru, Brazil, Mexico, and Guatemala, among others. Confronting these acts of corruption could ultimately contribute to a strengthening of democracy if countries and politicians take the right lessons, but in many cases corruption and the persistence of the un-rule-of-law have only served to weaken democracies.

A quick review of regional attitudes about democratic governance and corruption provides some worrisome evidence. According to Vanderbilt University's Latin American Public Opinion Project (LAPOP) Americas Barometer 2016/2017, support for democracy and democratic institutions is declining.¹ The report found "support for democracy decreased by almost 9 percentage points between 2014 and 2016/17." The survey also found that "the average citizen is more likely to support extralegal actions (i.e., coups) to remove elected leaders from office."

According to Transparency International's Corruption Perception Index 2017, the Americas region continues to receive low marks for corruption perceptions. Honduras fell 12 places to rank 135th out of 180 countries, and Venezuela was the regional country with the highest perceptions of corruption and occupies the 169th place globally.

According to the 2015 biennial national victimization survey (ENVIPE) in Mexico, just over 6 percent of all crimes are reported to authorities—meaning that roughly 94 percent go unreported. The two most common reasons given for not reporting crime are "it's a waste of time" (33%), and "distrust in authorities" (16.6%).

Despite these dismal findings, not all of the news is bad.² There have been important advances in some countries: Brazil and especially its judicial institutions have taken the lead by investigating government corruption. While not yet complete, they have held very senior government officials and powerful business interests accountable. These investigations have contributed to cases and trials across the region as the tentacles of the Odebrecht case have slowly become visible.

Chile faced a number of scandals early in President Michelle Bachelet's second term, so she appointed a "Presidential Advisory Council on Conflict of Interest, Influence Peddling, and Corruption," led by Eduardo Engel, President of Espacio Público, a leading Chilean think tank. In April 2015, the Council made a series of

recommendations, many of which have been enacted into law as part of an “integrity agenda” embraced by the executive and legislative branches.

Sadly, these types of experiences are the exception and not the rule. Significant problems in democratic governance, rule of law, and grand corruption exist in many areas, but especially Venezuela, Mexico, and Central America.

In Venezuela, a government that once enjoyed broad popular support, won relatively free elections, and had independent democratic institutions systematically eroded these same institutions. The Venezuelan government has closed down most independent press, politicized the judiciary and electoral institutions, outlawed political parties, harassed and jailed political opponents, and ultimately destroyed the National Assembly through fraudulent elections for a “constituent assembly.” In this environment, there are no remaining checks and balances on the regime and corruption is widespread—the very scourge that Hugo Chávez was originally elected to address.

Mexico is a mixed bag. Important efforts to transform a corrupt and inefficient criminal justice system have been underway since 2008 with strong support from two Mexican presidents and two U.S. administrations. However, the process has been slow with multiple setbacks, and complaints about criminals taking advantage of weak and inexperienced police and prosecutors have abounded.

In addition, there have been major corruption scandals involving federal authorities and a dozen current and former governors; escalating homicides that set a record last year; and horrific human rights problems—such as the disappearance of 43 students from a rural normal school followed by a botched criminal investigation. As a result, Mexico’s July 1 presidential election is a referendum on the government’s record on corruption, rule of law, and security.

In addition, Central America, especially the Northern Triangle Countries of El Salvador, Guatemala, and Honduras, continue to struggle with these issues. In El Salvador, several former presidents have been under investigation for corruption with one essentially fleeing the country and seeking asylum in neighboring Nicaragua. In Honduras, the government-appointed police purge commission has dismissed nearly half of the police force for allegations of corruption or failure to meet minimum standards. In addition, in Guatemala, there is an ongoing attempt to undermine the independence of the Attorney General’s office and pass new laws to guarantee congressional impunity for corruption.

Interestingly, Guatemala and Honduras are the only countries in the world to also experiment with unique and innovative approaches to fighting impunity and corruption through multilateral mechanisms designed to accompany each country’s chief prosecutors. In Guatemala, the United Nations mechanism known as CICIG—the International Commission Against Impunity in Guatemala—has carried out far-reaching investigations, alongside the Attorney General’s office, leading to prosecutions against many political and business leaders. In one instance, the investigation actually brought down a sitting president and vice-president, unprecedented in the country and much of the region.

Honduras has also agreed to a roughly comparable mechanism with the Organization of American States—the Support Mechanism to Confront Corruption and Impunity in Honduras (MACCIH). As with the CICIG in Guatemala, the goal is to use the political independence and expertise of international judges and prosecutors to assist a weakened Prosecutor’s office and judiciary to carry out sensitive investigations into powerful political and business interests. Just in the last couple of months the MACCIH and the country’s Attorney General’s office were able to bring important criminal charges against a former first lady, several members of the Honduran legislature, and one of the alleged masterminds behind the murder of Bertha Cáceres, an internationally recognized indigenous rights and environmental activist.

Despite successes by both CICIG and MACCIH, and Attorneys General in both countries, elites have struck back in various ways by passing laws that shield politicians from investigation, or threaten the functioning of both institutions.

U.S. POLICY:

Thankfully, the United States Congress and both the Obama and Trump Administrations have continued strong support for the CICIG in Guatemala and MACCIH in Honduras. Continuing this political and financial support is essential as long as the governments, and especially the Congresses in both countries, continue to cooperate with CICIG and MACCIH in good faith and do not continue to block investigations through nefarious laws and political maneuvers.

Promoting rule of law, strengthening democratic governance, and fighting corruption have been central to U.S. foreign policy for decades. The rule of law is the super-structure on which democracy is built. Yet, despite these good intentions and

hundreds of millions spent on rule of law programming, there is little evidence that these efforts have succeeded.

This is the conclusion of a far-reaching study entitled “Frontier Justice: A New Approach for U.S. Rule of Law Assistance,” conducted by two former State Department officials, Ambassador Donald Planty and Mr. Robert Perito. They look not only at what has undermined and hampered U.S. rule of law programming, but also outlined a series of steps to address these problems. We plan to present this report publically for the first time at the Wilson Center in May, and I hope it can serve as the basis of a longer and deeper conversation about what needs to change in U.S. policy to make rule of law promotion and anti-corruption efforts more effective. For now, let me just provide you with a teaser from their study.

Among the authors’ major findings:

- There is no shared or consensus definition within the U.S. government about what “rule of law” promotion is or should be;
- There is no unified “rule of law” policy despite the importance attached to the principle in U.S. foreign policy;
- There is no central or coordinated repository of expertise or knowledge about rule of law within the Federal Government; and
- There is no overall coordinator of rule of law policy or programming within the government.

All this leads to divergent views, strategies, and programming to promote rule of law and, at times, these are even contradictory in purpose and execution leading to great confusion on the part of recipient countries.

Finally, the United States often seeks to promote rule of law when there is no real political will or capacity on the part of partner nations to take the necessary and difficult steps to promote it. Take, for instance, the issue of an independent judiciary and prosecutors. Many countries are willing to receive training for judges and prosecutors, engage in exchange programs, and upgrade court infrastructure and technology. However, the legal and political steps that would create a truly independent attorney general, one outside the political control of a governing political party, is much more difficult. Clearly, this is not happening and unlikely to happen in Venezuela. In Brazil, prosecutors and judges have acted surprisingly independently from the political elite of the country. In addition, these are critical issues in Guatemala and Honduras, where selection processes for new Attorneys General are already underway.³ If the selection process goes well, we can expect democratic governance to improve and the battle against corruption to continue. If not, then the cycle of corruption, impunity, and weakened democracy could start anew.

POLICY OPTIONS FOR THE FUTURE:

Given this landscape, I would recommend the following for consideration by the Committee:

- 1) Congress should consider a series of hearings that assess the extent to which rule of law promotion in U.S. foreign policy has succeeded or failed over the last 40 years.
- 2) Conclusions from these hearings should form the basis of new legislation that would establish a consensus rule of law policy for the U.S. Government, and suggest new ways to organize American foreign policy so it is consistently applied across the government.
- 3) In the short term, the U.S. Congress should continue to fund programs to strengthen the independence of judiciaries, depoliticize attorney general’s offices, and strengthen investigative capacity across the board.
- 4) Additionally, support for independent, civil society-based mechanisms of oversight and accountability is essential. Independent journalism and academic and non-governmental organizations devoted to greater transparency in government can be invaluable tools in the fight against corruption.
- 5) Finally, Congress should continue its strong support for the anti-corruption and anti-impunity lead by the U.N. Commission (CICIG) in Guatemala and the OAS Mission (MACCIH) in Honduras.

Thank you, and I am happy to take your questions.

Notes

¹The Political Culture of Democracy in the Americas, 2016/17: A Comparative Study of Democracy and Governance.

²The Wilson Center's Latin American Program celebrated its 40th Anniversary in 2017 with a conference devoted to analyzing the challenges of corruption to democracy in the region, and the opportunities for overcoming it. A forthcoming publication based on the conference will be available soon. Video from the conference can be found here: <https://www.wilsoncenter.org/event/latin-americas-domestic-and-international-challenges>.

³For background on the selection process for Guatemala's next Attorney General see: "Selecting Guatemala's next Attorney General: What's at Stake?" <https://www.wilsoncenter.org/event/selecting-guatemalas-next-attorney-general-whats-stake>

Senator RUBIO. Thank you.
Mr. Farnsworth.

**STATEMENT OF ERIC FARNSWORTH, VICE PRESIDENT,
COUNCIL OF THE AMERICAS, WASHINGTON, DC**

Mr. FARNSWORTH. Thank you, Mr. Chairman. Good morning to you, Mr. Ranking Member, members. Thank you for the opportunity to testify again before you on such an important and timely topic.

Let me thank you upfront for your leadership on the hemispheric agenda, but, in particular, your meaningful and bipartisan leadership on efforts to alleviate the growing humanitarian crisis in Venezuela and to help restore that nation to the democratic path. You continue to provide a real beacon to the Venezuelan people for a better future, and we acknowledge that, and we thank you for it.

This hearing could not come at a more important time in hemispheric relations, just days before the next the Summit of the Americas in Lima, Peru. The White House has just indicated that Vice President Pence will be representing the United States.

Hopefully, the United States, Mexico, and Canada will soon be able to announce concrete progress toward completion of the ongoing NAFTA renegotiations. More broadly, the region will be looking for signals from the United States delegation as to the administration's regional priorities, and perhaps to dispel certain misperceptions as well.

With a number of critically important regional elections scheduled this year, including Brazil, Colombia, Mexico, Paraguay, and others, as well as the election charade that Venezuela seems intent on conducting in May, this is a critical year in the Americas. The summit in Lima offers an important forum to reaffirm the democracy agenda and to position the United States as the preferred partner in regional affairs. But we have to have a meaningful, positive agenda of cooperation in order to do so.

The summit itself is not without its difficulties. Just prior to hosting the summit, Peru's President resigned at the end of March over corruption allegations—ironic, of course, given the anticorruption theme of this summit. And several other leaders plan to skip the meeting altogether, as we have discussed. Meanwhile, those leaders who do plan to attend will be hard-pressed, perhaps, to deliver more than anodyne results around the official agenda, which focuses on anticorruption.

Corruption as an issue has been condemned numerous times in regional fora, including at the very first Summit of the Americas in Miami in 1994—I was privileged to attend and participate in that—and every Summit of the Americas since.

Still, corruption continues to spread to the point where a number of outsider, antiestablishment candidates from both the left and

right may be ushered into high political office this year by voters who are just sick and tired of corruption.

The issues are real. They are significant. Certainly, more can be done and must be. The implementation of previous commitments is mixed, at best.

The Summit of the Americas was originally conceived to support new democracies emerging from the Cold War into a unipolar world where economic integration was a strategic matter and where collective efforts could be applied by consensus to addressing regional issues.

The world has changed since those optimistic days, but the summits have remained a consensus-based forum. This means progress on the most pressing regional issues can be difficult in the summit context. The divergent political priorities of nations at the table makes consensus unlikely, if not impossible.

To build momentum and relevance for future summit commitments, leaders should move from consensus, perhaps, to a pathfinder approach. Those nations that can make progress on various issues and choose to do so should not be prevented by others unwilling to take similar steps, unwilling to sign on to commitments in the summit context.

Alternatively, the summit could move from a grouping of nations who meet together as an accident of geography to a grouping of nations who meet together because they seek to make progress on the issues. If nations are disruptive or rejectionist or govern undemocratically, their participation in summits should be suspended. Indeed, participation should be limited to governments that promote democratic practices, as laid out in the Inter-American Democratic Charter signed on September 11, 2001, also in Lima, Peru.

Venezuela is a case in point. We have already talked about that to some extent. The nation is in crisis. The government's misguided efforts since 1999 to establish a new socialism for the 21st century has predictably wrecked the economy and destroyed democracy. Social indicators have deteriorated to the point where Venezuela's global peers are mostly desperate, war-torn nations, such as Syria and Yemen.

This is not a self-contained crisis visited upon Venezuelans alone. Migration flows, drug trafficking, and cooperation with Russia to undermine regional democracies are also directly impacting Venezuela's neighbors. These are precisely the difficult issues that summits should seek to address. So we urge leaders, and we join with this subcommittee, to agree on further steps they can take to restore the democratic path while laying the groundwork for economic recovery in Venezuela.

Thank you again for the opportunity to testify, and I look forward to your questions.

[The prepared statement of Mr. Farnsworth follows:]

PREPARED STATEMENT OF ERIC FARNSWORTH

Good morning, Mr. Chairman, Mr. Ranking Member, and Members. Thank you for the opportunity to testify again before you on such a timely and important topic.

This hearing could not come at a more important period in hemispheric relations, just days before the next Summit of the Americas in Lima, Peru. The White House has indicated that President Trump will attend, his first visit to the region as presi-

dent, before traveling onward to Colombia. Though he has already met a number of his hemispheric counterparts, this will be his first opportunity to present a vision of U.S. engagement with the region based on areas of common interest and values. Hopefully by then the United States, Mexico, and Canada will be able to announce concrete progress toward completion of the ongoing NAFTA renegotiations. More broadly, the region will be looking for signals from the U.S. delegation as to the President's regional priorities and to dispel certain misperceptions.

A REGION IN TRANSITION

With a number of critically-important regional elections scheduled this year, including Brazil, Colombia, Mexico, and Paraguay, as well as the election charade that Venezuela seems intent on conducting on Cuban Independence Day in May, this is a critical year in the Americas that may determine the region's direction. It comes as both Russian and Chinese leaders are consolidating and strengthening their respective internal positions and pursuing more aggressive policies toward Western democracies and their interests, including those in the Western Hemisphere. Along with allegations of stepped-up Russian meddling in elections across Latin America and the Caribbean, and also China's increasing overlay of a strategic agenda on top of pre-existing trade and investment activities, the region is now at a crossroads. The Summit in Lima offers an important forum to reaffirm the regional democracy agenda and to position the United States as the preferred partner in regional affairs. But we have to have a meaningful, positive agenda of cooperation in order to do so.

THE SUMMIT: PURPOSE AND PROSPECTS

Of course, the Summit itself is not without its difficulties. Just prior to hosting the Summit, Peru's President resigned at the end of March over corruption allegations—ironic given the anti-corruption theme of the Summit—and several other leaders plan to skip the meeting altogether including, perhaps, the President of Latin America's largest nation, Brazil. Meanwhile, those leaders who do plan to attend will be hard pressed to deliver anything but anodyne results. Corruption as an issue has already been condemned numerous times in regional fora, including at the very first Summit of the Americas in Miami in 1994 and every Summit since. Still, corruption continues to spread to the point where a number of outsider, anti-establishment candidates from both the left and the right may be ushered into high political office this year by voters sickened by corruption. The issues are real, and they are significant, hurting economies and reducing confidence in democratic governance. It is a major regional issue that needs to be addressed. Certainly, more can be done, and must be. Implementation of previous Summit commitments is mixed, at best.

As well, there is also the challenge of unintended consequences. Most nations don't have a Foreign Corrupt Practices Act or equivalent; what is illegal under U.S. law may not be elsewhere. Most don't have the same jurisprudence or social mores as the United States. The issue of enforceability, or even definition, is complicated. More to the point, public cynicism increases, potentially undermining democracy, when leaders sign on to conventions and agreements they have no intention of upholding or of which they may even already be in breach, as they have at previous Summits. Of greater concern, the anti-corruption agenda, in the wrong hands, can actually give license to officials who, for political purposes, would weaponize it to undermine or eliminate political rivals. Arguably, that scenario is precisely what just occurred in Peru itself.

The Summit of the Americas was originally conceived as a way to support new democracies emerging from the Cold War into a unipolar world where economic integration was a strategic matter and where collective efforts could be applied by consensus to addressing regional issues. The world has dramatically changed since those optimistic days, but the Summits have remained a consensus-based forum. In practice, this means that progress on the most pressing regional issues is difficult in the Summit context; the divergent political priorities of nations at the table, now including Cuba, makes consensus unlikely if not impossible. To build momentum and relevance behind future Summit commitments, leaders should move from consensus to a "pathfinder" approach, as is used in the Asia-Pacific context in APEC. Those nations that can make progress on various issues, and choose to do so, should not be prevented by others who are unwilling to make similar commitments. Alternatively, the Summit itself could be re-engineered, from a grouping of nations who meet together as an accident of geography to a grouping of nations who meet together because they truly share similar values and interest and genuinely seek to make progress on the issues that affect them. As in the G7/G8 context with Russia,

if nations are disruptive or rejectionist or govern in an undemocratic manner, their participation in the Summits should be suspended.

Serious consideration should therefore be given as to the purpose of future Summits of the Americas. The world has changed dramatically since the first Summit in 1994, and, to remain relevant, future Summits should take that into account. Whether that means limiting participation to governments that promote democratic practices as delineated in the Inter-American Democratic Charter signed on September 11, 2001, also in Lima, or changing the structure, or some other formulation, can all be discussed.

VENEZUELA AND THE SUMMIT

Venezuela is a case in point. The nation is in crisis. The government's misguided effort since 1999 to establish a new Socialism for the 21st Century has predictably wrecked the economy and destroyed democracy. The nation suffers from the world's worst hyperinflation, the healthcare system has collapsed, and one in five Venezuelan children suffers from malnutrition. Crime has spiked and Caracas is reportedly now the world's most dangerous city. Social indicators have deteriorated to the point where Venezuela's global peers are mostly desperate war-torn nations such as Syria and Yemen.

But this is not a self-contained crisis, visited upon Venezuelans alone. It is also directly impacting Venezuela's neighbors. Seeking in some cases just to survive, hundreds of thousands of refugees continue to cross into Brazil and Colombia and the Caribbean, without jobs or food or obvious means of support, overburdening already-stretched resources. Colombia in particular has sought international assistance to address the crisis. Elsewhere, Venezuela's inability to control the illegal drug trade, with reports of senior officials actively involved, is undermining democratic institutions and social stability in transit nations such as those in the Northern Triangle of Central America, contributing to the flows of unaccompanied children and other migrants north to Mexico and the United States. And Venezuela is also reportedly working closely with Russia as a beachhead in the Americas from which to promote Spanish language information manipulation and cyber hacking and disruption to advance messages that undermine democracy, stability, and U.S. and friendly nation interests.

These are precisely the issues that Summits of the Americas might address. Of course, with Cuba, Nicaragua, Bolivia and certain Caribbean client-states of Venezuela at the table, it is unrealistic to conclude that the leaders will reach consensus in Lima on a coordinated approach. Further limiting prospects for success, it should be anticipated that one or more of these nations will manufacture a surprise designed to disrupt the counter-Venezuela narrative and to put the United States and host nation Peru on the defensive, much as the late Hugo Chavez pulled political stunts at Summits in 2005 and 2009. Still, the Summit will gather many like-minded leaders who are committed to working together on a common agenda including concrete measures to address the Venezuela crisis, continuing a process intended to restore the democratic path to that troubled nation while laying the groundwork for an economic recovery plan that can be implemented at the appropriate time. Such actions are to be applauded.

Thank you again for the opportunity to testify before you today. I look forward to your questions.

Senator RUBIO. Thank you.

I am just going to begin with a couple quick questions, and then turn it over to the ranking member.

Just on the point of the prosecutions, talking about Brazil, Peru, other places, obviously, we would prefer there not be corruption, but the alternative to no prosecutions is impunity. In essence, there was a time not long ago, and there are countries in the region like Venezuela and other parts of the world, where corruption is rampant. Everybody knows it, but there is never any prosecutions or accountability.

So in some ways, while we are not happy about prosecutions because they are evidence that there is corruption, there is some good news embedded in the fact that courts are now going after the most powerful people in these countries. They are standing trial. They are being convicted. The system is working.

So it proves that institutions and laws are functioning, and that is a good sign when you see that. So even though there is bad news that there is corruption and the instability that comes with it, the good news is that the processes and the institutions seem to be working and gaining momentum in at least certain parts of the region.

Is that a fair way to assess it?

Mr. OLSON. Thank you, Senator. Yes. I mean, I think you are absolutely right. It is good news that prosecutions are taking place.

Look it, corruption has been a problem in Latin America for decades, for a long time. It is not new. What is new is people holding high-ranking authorities accountable.

If you look at impunity rates, the rates at which people are prosecuted in countries like Mexico, it is well over 95 percent. So that means people are not being prosecuted, and what we need is that level of prosecution, independence of prosecutors, to go after the high-level people.

Now, I will just add one small thing. Where we have seen success, such as in Guatemala, there has been a really strong pushback from the elite and the powerful and I would say probably corrupt in that country against these very institutions, against the attorney general, against the attorney general of Honduras.

The Honduran attorney general was attacked again last night publicly by people who say he is not doing a good job. He is trying to hold people accountable.

This is going to be a difficult, long-term process, and we need to support those prosecutors and judges who are being independent and taking this on in a very dangerous situation.

Senator RUBIO. Did you want to add anything?

Mr. FARNSWORTH. I agree.

Senator RUBIO. The second question I want to ask you about is this situation that is developing in Venezuela with this so-called election. My view, and I am pretty confident that I am correct about this, is that Maduro is trying to follow a pattern that we see Putin pull off in Russia, and others in different parts of the world, where you conduct this election, you win it, you are pretty sure you are going to win it, and this somehow gives you this air of legitimacy, but he needs there to be enough turnout to do it.

Part of it is that he thinks it will be a reset button. It kind of resets everything and allows him to restart, perhaps taking away U.S. sanctions and the like, and some of the regional sanctions. But the other part internally is it allows him to go to the elites that have doubts about him, and "elites" meaning the people who are still benefiting from him being in power, but who are starting to wonder if maybe one of them shouldn't be the person there, because maybe they can make this model a little less broken, and show them that his political party is able to gin up, mobilize people to go out and vote, et cetera.

He is willing to undertake this election and was almost begging for an opponent and wanted an opponent because I believe he knows he can control the outcome. He knows that through the distribution of food, he can reward people who vote for him and punish those who do not. Ultimately, their control of the electoral over-

sight body allows them to change results if they needed to in order to win, and all that sort of thing.

The counterargument from some in the opposition is that he could steal a close election, but for him to try to steal a blowout in which he loses would be much harder, and a lot of them are calling for activism. I think one of the things Maduro is counting on is that the Venezuelan people like to vote.

So what views do you have on that? Do they participate, not participate? It is a tough issue for someone living there. We can see it for what it is. It is a fraud, and it is why none of the international organisms will go in and supervise it. But what is your view on whether or not the opposition there, or some elements of opposition who participate or not in this election, versus abstaining from it as a sign of how fraudulent and fake it is?

Mr. FARNSWORTH. Mr. Chairman, that is a really difficult question.

I think, first, I would suggest that those who choose to vote in Venezuela and exercise their franchise, I think we cannot criticize them for doing that, particularly if their livelihood depends on voting, for example, their access to food, medicine, their job, as you have indicated. So I think that is exactly right.

One of the things that this government in Venezuela has done very, very well is to divide the opposition, is to set the opposition against each other, has been to jail leading opposition figures, not allowing them to contest elections, prosecuting others, trying to really use the tools of the state in a very politicized way to undermine the opposition.

This is a perfect example. It is no coincidence, I believe, that the election date was changed to May 20, Cuban Independence Day. I think that there is a real effort not only to get out the Chavista vote—and there is a core group of supporters in Venezuela that will turn out and will support President Maduro no matter what.

The question is, if a plurality or a large number of others turn out to vote, can he claim legitimacy from the result? I think, from the international community perspective, I think, by definition, he cannot. It is not a legitimate vote. Every indicator would be that this cannot be a free and fair election under existing circumstances for some of the reasons that you mentioned, and there are others as well.

So whatever the individual decision of Venezuelans to vote I think is probably appropriate based on their individual circumstances. But as we look at it from outside, no matter what happens, this is going to be a vote that is fraudulent, that is not free and fair. And I think, in advance, the Summit of the Americas leaders who are meeting this week can and probably should have something very direct to say about that.

Senator RUBIO. Senator Cardin.

Senator CARDIN. Thank you both for your testimony.

I have been involved in some of the preparations for summits within the OSCE, the annual ministerial meetings within the OSCE. And I know that, without a lot of prep work before the meetings take place, you are not going to achieve the type of consensus that is required at these meetings.

Can you just share with us whether you believe that prep work has been done for a meaningful result in regard to fighting corruption?

Mr. OLSON. I mean, there have been a lot of meetings. There always are meetings. I do not think that should be the measuring stick by which we judge this.

In my opinion, there is a lot more that could have been accomplished. But as my friend Eric has said, sometimes these are consensus-based meetings, so it is difficult. There is not consensus in the region.

Obviously, in general, everybody is opposed to corruption, but how one goes about it—is there a commitment to independent judiciaries and independent prosecutors? I would say there is not.

Senator CARDIN. So that is unlikely to come out of the summit?

Mr. OLSON. I don't think so. I think what you will have—I am not saying they are going to be completely useless, but general kind of statements that say the right things. But it really requires political will of independent countries to create independent judicial institutions.

Senator CARDIN. It also requires leadership. And America, the U.S., has always been a dominant player in every regional organization that we have belonged to.

Mr. Farnsworth, has the United States prepped this summit to a point where we can get a useful result?

Mr. FARNSWORTH. Thank you, Mr. Ranking Member.

It is difficult in some way to have meaningful preparations for meetings when you do not have people in place, for example, at the State Department or in other government agencies. The people who are there are doing really important work, meaningful work, on behalf of the American people, but there is a reality in the context of government officials to be able to conduct those very important negotiations.

I would say that the OAS, the IDB, two hemispheric institutions, have run very professional processes up to the Lima summit. They have tried to forge consensus on some very difficult issues. But you are exactly right. When you actually get to the table with the leaders themselves—and I have been a part of the Summit of the Americas process, again, going back to 1994—the most precooked agreements at the end of the day may have little relevance to what the leaders themselves actually decide to do.

There is a second element to this as well. It is not just what they actually agree in the meeting. It is what they actually meaningfully implement coming out of the meetings. There is a review process that the OAS runs, a summit implementation review group. It is very well-intentioned.

But you have to have the leaders of the individual countries say, “Not only did I commit to doing that among my peers, but I am also committed to doing that and implementing the agenda for the benefit of my people,” and it may cost some politically. I think that is always the complication.

Senator CARDIN. Mr. Olson, you raised a very good point about having a point person on rule of law. I thought we had that person. I thought that was the Assistant Secretary for Democracy, Human

Rights, and Labor. The State Department should take the lead on this. Those are the values of our country.

Mr. OLSON. Sure. I believe that that leadership should come from the State Department, but it has to be someone at enough of a level, senior enough, that would also bring together the other agencies of government. The Department of Justice plays a role in this. Other elements of the U.S. Government even within the State Department—

Senator CARDIN. Are you saying that that position, which is currently unfilled, but that position is not a high enough level?

Mr. OLSON. In my opinion, no, it is not. It does not have the ability to bring about discipline across multiple U.S. Government agencies and even offices within the State Department to ensure that there is a consistent policy implementation on rule of law. No, it is not enough.

Senator CARDIN. I would suggest that the model that has been the most successful to date has been the trafficking model that we have used where we do have a point person in the State Department responsible for trafficking. It has a strong congressional support. That person does have influence in other agencies. And there are now standards that we judge with the Trafficking in Persons Report.

This committee has passed out legislation on corruption—it is pending on the floor the Senate—that would start a process similar to trafficking on judging every country in the world, including the United States, on its commitments to fight corruption. Those at the lowest tiers, there would be expectations in our bilateral relations that progress would be made or there are claw backs of funds in regard to U.S. aid.

But you are correct. That relies on international standards, on judgment as to corruption, rather than a self-determination or a consensus determination among other countries, which does not exist today.

So the last point, and then a quick response, impunity in our hemisphere is off the charts. I mean, we have countries that have made tremendous efforts to try to deal with impunity, and you point out they are still in the 90 percentiles, which is unbelievable, that we can have democracies that have impunity rates this high.

The two independent commissions that you refer to, one in Honduras and the other in Guatemala, was a major achievement to get outside, to give up autonomy of a country. That is a tough thing to do. And yet, the progress, which has been steady, has been slow.

Mr. OLSON. Yes. I think that, overall, the picture is very discouraging. But I will point out that with two successive, strong attorneys general in Guatemala and the support of CICIG, the impunity rate in Guatemala is actually in the area of 60 percent to 70 percent, which may not sound great to us, but compared to 95 percent in Honduras or in Mexico, it is a sign of real achievement.

That is what I mean by having a clear, integrated policy that focuses on things that actually work. I think we have a model in Guatemala.

Look it, people are trying to erode that, undermine it, accuse them of all kinds of things. But it is being successful, and we can

support those kinds of efforts not only in Guatemala but in Honduras and other places.

Senator CARDIN. Just one final point. Which model do you think is best of the two, Guatemala and Honduras?

Mr. OLSON. That is a Solomonic question here.

Senator CARDIN. They were controversial because of the ways they were set up originally.

Mr. OLSON. Yes. I think that they both have real potential.

The advantage that the Guatemalan process has is that they can initiate their own investigations, the U.N. body can. Honduras cannot, so it is a little less independent. But it has the advantage of working only with a special commission within the prosecutor's office. And in some ways, it is better, because it is strengthening the prosecutor's office.

I think that is happening in Guatemala, but I think Honduras, it has been around for just over 2 years, and it is really starting to take hold. That is why people are reacting. The Congress is passing laws. People are attacking the attorney general because they are beginning to be successful. That is what we have to be vigilant about, that we continue to support those efforts.

Senator CARDIN. Thank you.

Senator RUBIO. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

And thank you both for being here.

Mr. Olson, I want to better understand, in your testimony, you talk about how there is no unified rule of law policy, and this sort of gets to what Senator Cardin was asking you about. Are you talking about that in the context of your discussion with Senator Cardin, that we do not have a high enough official making the case and that it is not integrated throughout the government? Or is it that we have not carefully defined and integrated what rule of law policy should be with respect to other countries?

Mr. OLSON. I think the latter point is really the central one. We do not have a clear and unified view of what rule of law promotion is across the U.S. Government. I think in addition to having a unified view, it would be important that there be a senior official driving that agenda.

But the point is that, if you go to the Justice Department, they may say it is one thing. If you go to USAID, it may be another thing. You go to the State Department or INL, it will be another thing.

They are all fine and valid, but when you have different approaches to rule of law, the risk of contradiction, undermining the U.S. Government, really sets back this agenda. And it is global. I am not just talking here about the Americas.

Senator SHAHEEN. Right. So your suggestion that Congress really needs to take a long look at this and come up with new legislation is your view of one way to address that.

Mr. OLSON. Let me say it this way. I think this would be an ideal venue for some real authorizing legislation to push this agenda in the U.S. Government.

Senator SHAHEEN. Well, I am sure the chair and ranking member are listening to that, and I certainly agree with that. I think that would be very important.

I want to ask you, Mr. Farnsworth, because in your testimony, you point out that Venezuela is working with Russia to look at Venezuela as a beachhead in the Americas to do some of the things they have been doing across Europe and the United States—manipulating information and hacking, cyber hacking, all of the things that we have seen here.

What do you think we should be doing to address that? And how widespread do you think that is throughout the Americas?

Mr. FARNSWORTH. Thank you for the question. It is, by definition, difficult to get our arms around this, at least in an unclassified atmosphere, in which we clearly are. But reports indicate that the cooperation is growing.

There are specific instances, for example, the Catalan independence referendum in Spain where Russia was clearly identified as meddling, but much of the Spanish-language traffic, both in terms of news reports that were colored or presented in a certain way, or even specific hacking out of the public eye, was being channeled through Venezuela.

Some of this is speculation, but there is a very clear indication of interest within Venezuela and also coming out of Russia in terms of the elections in some of the countries that face elections this year in the region, particularly Colombia and Mexico, and perhaps others as well.

The reason this is so critically important to the United States is because those are two of our very closest allies in the Western Hemisphere. They are strong democracies. The United States, on a bipartisan basis, has been a strong supporter. We have pushed a cooperation agenda on the security side, on the economic side, on the political side.

And to have people, as Eric Olson was commenting, the public beginning to question democracy as the best form of government is a real strategic setback for the United States and the Western Hemisphere. But even more to the point, to the extent people may be elected in those countries or others who are taking an anti-U.S. viewpoint, taking a more skeptical view of cooperation with the United States, that would also be a real setback for U.S. efforts in the Western Hemisphere, in my view.

So at some level, my belief is that Russia does not really care who is elected in Colombia or Mexico or Brazil or Paraguay. What they care about is disruption. What they care about is complicating the U.S. effort in the Western Hemisphere. And if, through some of their efforts, they can lead to the election of somebody who is overtly anti-American, so much the better, from their perspective.

Venezuela has proven to be a very receptive and willing ally in this effort for several reasons, not the least of which is the government's virulent anti-American posture itself, but also because Venezuela is bankrupt. It desperately needs financial support from anybody who will give it to them. That has come not just in terms of oil sales to the United States but also support from China and support now from Russia as well.

So this seems to be a growing problem. Targets of opportunity are very clear this year in the Western Hemisphere and perhaps going forward.

It is something that even the former Secretary of State Rex Tillerson mentioned before he traveled to Latin America in early February. He clearly said, before he left for Mexico, that, in the Mexican context, people should be taking a look at what Russia might be doing. He did not further identify that, but, based on my experience as a former State Department and administration official from a number of years ago, Secretaries of State generally do not say things like that unless there is a particular reason to do so.

Senator SHAHEEN. So how hard is it to address that kind of challenge when we have a President here in the United States in the White House who has refused to acknowledge Russian interference in elections in the United States and really throughout the world?

Mr. FARNSWORTH. I may not be the best person to ask that very difficult question. It is a relevant question.

In the Latin American, Western Hemisphere context, I think exposure of some of these activities so that people can actually have an understanding of what is going on and clearly be able to resist that I think is the first step. That requires intelligence-sharing. It requires cooperation at the government level. It also requires a free and independent press, which we do not have been Venezuela, and other institutions of democracy that are so critical for the health of the hemisphere.

Senator SHAHEEN. Well, I would suggest that it may even be harder than that because, as I travel around in my State of New Hampshire, I run into people on a regular basis who do not recognize or think that there is an actual attempt to interfere in the United States elections and in elections in other countries, and that despite our rule of law, our free press, the other institutions that we have here.

So I think this is an effort that requires everyone in democracies, in the international community, in the free world, to point out the threat that is posed to all of us. And I hope that we are going to see some action in the United States and our own leadership to address this at some point.

I am out of time, Mr. Chairman.

Senator RUBIO. Senator Kaine is going to go, but I want to make sure I do not forget to get back to the point you just raised, because I think it is at the heart of what is happening in this region and all over the world.

Senator Kaine.

Senator KAINE. Thank you, Mr. Chair.

And thanks to our witnesses. I want to ask questions about Honduras.

The last months have had a lot of very, very serious problems, presidential elections in the fall that were marred by significant irregularities, significant enough that the OAS eventually weighed in and said that they thought that there needed to be a rerun of the elections. The U.S. sort of accepted the electoral result anyway when the OAS thought that they were so compromised they needed a do-over.

In late January, the AP documented that the newly sworn-in national director of the police and two top officials had all participated in moving at least a ton of cocaine, and then intervening in

an arrest order to protect the shipment. Then in the middle of February, the head of the MACCIH, the OAS sort of created anticorruption and impunity effort in Honduras, the head of MACCIH resigned in the face of what he termed rising hostility from the Honduran Government in carrying out its work.

Let's talk about what we should be doing to promote the restart of MACCIH or some verified anticorruption effort in Honduras. What advice would you have for us?

Mr. OLSON. Thank you, Senator Kaine. And I want to just thank you for your interest in Honduras. I was a missionary in Honduras for a couple years as well and have spent over 30 years following and going back there regularly, focused on a lot of these issues.

Senator KAINE. I knew you were our Honduras expert, but I did not realize you had started as a missionary there.

Mr. OLSON. Thank you. I appreciate that. I love the whole region, but Honduras has a special place in my heart.

Listen, yes, I think Honduras faces some really unique challenges right now, and it is vitally important that the United States Government weigh in, speak out loudly on all of these rule of law issues.

The MACCIH is under attack. People are challenging its constitutionality on bogus terms. Congress is passing laws to protect itself. The attorney general is under assault.

He texted me last night from a trip. He is in Holland. He says people are challenging his ability to open up this special investigation unit that has held the former First Lady accountable. So he is under attack by Congress.

Everything is at play right now in Honduras around these issues. So it is vitally, vitally important for the U.S. Congress, the U.S. administration, to speak out, to say this is not a partisan issue, this is not a left-right issue. This is about the rule of law, which is at the very core of our values and our principles as a government. And I think it is really important.

We, sadly, right now, do not have an Ambassador in Honduras. The people that are in our Embassy are doing a terrific job, but we need an Ambassador at that level to be an outspoken advocate for these issues.

Senator KAINE. Do you share the view of the guy who stepped down as the head of MACCIH that it was government pressure even directly from the President, with the tone set from the President of Honduras, that is getting in his way?

Mr. OLSON. I think it was a combination of both. I know Juan Jimenez very well. We are still in touch. He is back in Lima now where he lives.

But I think it was pressure from the government, pressure from Congress, the Honduran Congress, but also a breakdown in confidence in his leadership from Secretary General Almagro. I have spoken directly with Secretary General Almagro about this.

It is unfortunate, but it really has put the MACCIH in a weakened spot. They are looking at somebody to replace him with soon. I hope any minute now, frankly.

Senator KAINE. I hope they may pay attention to a hearing like this. It would sure send a good sign if the appointment of a replacement is somebody with real gravitas, whose appointment would

send a message that, yes, this is not an effort that is going away. If anything, we are going to take it even more seriously now.

Mr. OLSON. Knowing how Hondurans view your role and your work, that kind of message would be absolutely essential from this entire committee, frankly. But people need to speak out at these critical moments to say the U.S. is standing behind the rule of law, human rights, good governance. These are values in the Republican Party, in the Democratic Party. This is part of what we are for. I think our Embassy personnel could really use that kind of support right now.

Senator Kaine. Thank you.

Thanks, Mr. Chairman.

Senator RUBIO. I think there is this broader narrative that this sort of reveals, when we talk about corruption and the decline of democracy. If you just look at the world and the sort of five flashpoints—China, Russia, North Korea, Iran, radical jihadists—the one thing they all have in common is authoritarianism in some way, shape, or form. Obviously, China is an authoritarian society. Russia, the same. North Korea is a bizarre place. Iran is authoritarian. And radical jihadism is, obviously, not a democratic process, but oftentimes is even created by authoritarianism, because repressive governments that do not allow people opportunities for upward mobility and the like create a ready population to seek membership in a group that makes them feel influential and powerful in society.

So we still analyze so much of foreign policy in the 21st century with the lens of the 20th century about the Cold War and the like, where there was an ideological dispute between the United States and the spread of communism. It was authoritarian, but for the purpose of advancing communism. This is authoritarianism for the purpose of furthering something else, primarily control, the projection of strength and order.

So the Cold War ends in 1989 through 1991, and then everybody says it is the end of history, right? Everyone is going to become a democracy. Markets are going to solve all our economic problems. And we took that for granted for 15 or 20 years. We just thought, if we open up to China economically, they are going to become more like us, and the same with Russia. Well, it did not necessarily work out that way.

What we have seen as well is that these economic changes at the global stage disrupted people's lives tremendously. It displaced people economically. You add to that automation and the like.

And so what happens in these societies that feel a lack of order and a lack of stability, and tremendous insecurity? You become vulnerable for the authoritarian figure that stands up and says, "I am going to restore order. I am going to make things right again. I am going to make us a more powerful country," and the like.

It is certainly critical to Putin's argument. And it explains Russian interference, because as part of that authoritarian argument, they point to the U.S., the beacon of democracy, and say, "Look at these guys. They are at each other's throat. The elections are illegitimate." I am convinced that that was not just a goal of 2016. I think it will be the goal from here on out, to disrupt elections and create doubt about whether they are legitimate.

I mean, I said this in the open hearing at the Intel Committee. Imagine if you are able to go in, change people's voter registration so when they go vote on Election Day, they tell them you are not registered to vote. You do that to enough people using analytics to do it to one party disproportionately, and enough of that goes on in this environment, and you are going to have on election night people out there saying this was a fraudulent election.

You have undermined American democracy, you have undermined the liberal world order, in terms of democracy. That explains a lot of what they are doing there, and it explains part of what is happening in this hemisphere as well.

We have a lot of these countries with rampant corruption, rampant criminality. Life is so bad that people are willing then to take some of the most dangerous journeys imaginable to escape and try to come to the United States, and you've created the territory and the environment for strong-men and -women to stand up and say, "I am going to restore order with a firm hand."

So look how this region is divided. On one side, Bolivia, Cuba, Venezuela, Nicaragua. Ecuador seems to be migrating away from that model somewhat, and that is good news. And then there is everybody else to varying degrees.

So as much as anything else, what is happening in this Western Hemisphere is an extension of what is happening globally, and that is a debate between those of us who believe in the democratic order even though sometimes it elects people we do not agree with and leaders in other countries we do not agree with, and those who seek to spread their model of authoritarianism as an acceptable model for the 21st century.

And it is, by the way, a reminder of why our leaders, and I mean including the President, need to be very careful about complimenting authoritarian leaders even though they happen to be our allies in a particular instance, because it demoralizes the democratic order.

And I am not here to tell you that every country in the world—that Syria can become New Zealand overnight. I am here to say, though, that I think it is important for us to always try to promote steps toward a democratic order because democratic countries have proven to be less likely to, for example, start wars unnecessarily, invade their neighbors unnecessarily, and the like.

So I guess my question is, isn't what we are seeing in this hemisphere just part of the broader global trend in this sort of ongoing 21st century battle between authoritarianism on one side, the argument that authoritarianism is a valid and legitimate and perhaps a better way of governing—but disguised as a democracy; they have these elections that they pretend are real—versus sort of stale commitment to democracy in the countries that have taken it for granted, that basically think that, once you have a democracy, it self-perpetuates and it does not need to be fed and defended in each generation and protected?

Mr. FARNSWORTH. Mr. Chairman, if I can jump in there, I think the short answer is yes. Latin America and the Western Hemisphere is part of a broader global shift that we are seeing underway.

One of my favorite quotes, I believe it was when Ronald Reagan spoke to the British Parliament in 1982. He said that, in the garden of democracy, democracy is not a fragile flower, but it does require tending. Just as you laid out, after the Cold War, we assumed that elections meant democracy in Latin America, and we collectively forgot, in my view, to tend to the garden and deal with these very real issues we have been talking about, to the point where they have now become quite difficult.

The truth of the matter is, they provide a permissive environment for those outside of the region who wish to meddle the ability to do so. That is precisely what we are seeing with new tools, new interests, new opportunities to do that, to try to undermine democracy throughout the region. I think that is exactly right.

The National Endowment for Democracy, I think, has done some very important work on the concept of sharp power, which is the use of nonmilitary power to promote a certain vision globally. Both Russia and China, and some other countries, are using that very effectively, in terms of the pursuit and the promotion of their own interests.

I have been an advocate for a long time not to try to say to other countries around the world, "You have no business in Latin America. You cannot come here. This is not for you." I mean, Latin America is part of the global environment. That is appropriate. Here we are. Latin America can trade with anybody that they want, subject to international law, et cetera, et cetera.

But where I think the vacuum has been created is in the U.S. engagement with the region. I mean, this is a huge opportunity to contend for the region, which I think collectively and over a number of years, we just have missed. And whether it is walking away from the Trans-Pacific Partnership, whether it is calling into question essentially all of our formal trading arrangements in the Western Hemisphere starting with NAFTA but perhaps with others, whether it is presenting a vision that shows the United States to be less welcoming to our Latin American and Caribbean of friends than we have traditionally been, this is something that resonates in the Western Hemisphere quite loudly.

So it plays into a narrative that Russia or China or somebody else can say, "Well, the United States is not interested in you. They do not care about you. We do, and we want to trade with you, and we want to be your friends." And if I am a Latin American, and I am seized with that choice, it is really no choice at all. I mean, the United States may be the preferred partner, but if China, for example, is the only partner, there is no choice.

That is, I think, what confronts the United States as we go to the Summit of the Americas. We need to show the hemisphere that we are an engaged partner not just based on our own interests, but we are partners for the region to help promote their interests as well.

If I can be a little bit flip, we want to help make the Americas great again. We want to promote a regional identity that the United States is very much a part of, hopefully in a leadership role in, but recognizing for precisely the reasons you just laid out, Mr. Chairman, this is not an isolated hemisphere. This is not a region that is just over here and everybody else is conducting their affairs

here. This is part of the global community. And I think it is time for the United States not just to recognize that but to engage with the region on that basis.

I think we have a lot to add. I think we have a lot to contribute. But we have to want to be able to do that.

If I can make a very quick point, if you will indulge me on Senator Kaine's I think important question on Honduras, the point that has not yet been raised in this hearing, particularly in the context of Central America, I think it is really an important one, it is the role of the private sector.

The private sector needs to be a voice for democracy. The private sector needs to stand up and loudly reject corruption, whether it is in Honduras, whether it is in Guatemala, whether it is across the region. This is something that I think would make a meaningful contribution to our collective efforts in the Western Hemisphere.

The final thing I would say about that, so that Eric Olson does not have all the fun here, my mother was also a missionary in Honduras.

[Laughter.]

Senator RUBIO. The question you said about the private sector, are you meaning U.S. companies? Because by law—

Mr. FARNSWORTH. That is a very good clarification. What I am referring to specifically in this instance is the local companies, the indigenous companies or companies that are based in those countries.

U.S. companies are subject to FCPA, all the requirements of U.S. law. And those that do not abide by them are subject to U.S. law, et cetera, et cetera. That is appropriate.

But Eric Olson is talking about some of the resistance, whether it is CICIG or MACCIH, that they are getting from their domestic constituencies. That is not U.S. companies pushing back.

The private sector flourishes when the business climate is open and transparent and fair, the rules of game are known, and there is a rule of law that can be implemented, and people know the rules.

Senator RUBIO. A side note I want to make is, within the context of everything you just outlined, and an economic culture and environment where corruption is at a minimum accepted and maybe even perhaps encouraged in some places, that is where we get a lot of complaints from American companies seeking to do work in the region. And, obviously, they cannot, under our law, participate in that. But then they often talk about Chinese firms that come in and basically flat out bribe their way into contracts that then, if they are big enough, give them significant leverage over those countries' geopolitical decisions at international forums. That is a huge issue that bears watching in the years to come.

Mr. FARNSWORTH. I agree with that.

Senator CARDIN. Mr. Chairman, I really do think you have brought up a subject in our own hemisphere which is global, your point about autocratic countries where leaders are very much against democratic institutions being able to counter the arguments of democracy effectively with their own population. And Russia is the prime candidate here.

It is interesting when you talk about the economics. Russia's economy is smaller than Italy's economy, smaller than South Korea's economy. Yet, they try to dominate on the world stage in regard to a campaign against democratic countries.

They use an asymmetric arsenal, which includes propaganda, lying, cyberattacks, in order to convince their population initially but then the broader constituency that their form of corrupt government protects human rights of their citizens better than democratic countries do, their system of government is a rule of law that is more predictable for their people than a democratic country's rule of law, or that their type of system's economy can perform better for the overall population than a democratic system for economic opportunity.

That message is carrying. If we think that isn't working, it has worked. They have brought down democratic institutions. And they use other messages, including a nationalist message of pride, et cetera, which is now coming into our hemisphere. There is no question about it.

But the common theme for success is corruption. That is what fuels it. Corruption fuels this regime. They cannot exist without having the ability to use the means of corruption.

I think our challenge, and I think you pointed it out pretty clearly, is that we need to develop international standards that are recognized to fight corruption. Everybody is against corruption. So what does that mean?

Transparency is very important, and we need to have standards, enforceable standards, on transparency, so that you can see what is going on. You need to have independent prosecutors. We know that. But they have to be financed, and they have to have the laws in place in order to be able to carry out their work. That is essential.

You need anti-bribery statutes. You need public procurement, so that you know exactly how the public monies are being spent, laws and reforms.

You cannot have impunity for public officials and the work that they do. They have to be held accountable, if they are corrupt. You cannot use the position to shield yourself from prosecution.

They are all, I think, kind of standard things that must be included.

I have worked in our hemisphere. I have also worked in Europe quite a bit with the OSCE as a member of the Helsinki Commission, the ranking Senate leader on the Helsinki Commission. I mention that for two reasons. There is a lot of similarity between OSCE and OAS in their charters on basic commitments to democracy. There are several differences in the OSCE.

They have a much more intrusive budget, including missions that are much different than OAS. They also have a parliamentary assembly which gives parliamentary participation, which we do not have in the OAS.

I appreciate the fact that this administration is reaching out to us in regard to the summit. That is good. They are trying to get our input. But we do not have a formal mechanism for our participation in the OAS as we do in the OSCE, which is given stronger,

I would say, credibility and expectations at their meetings even though both are consensus organizations.

So I guess my last point is, how do we strengthen America's role in our hemisphere? What can we do so that we can literally see the future of our hemisphere with democratic states?

America is firmly set on democracy. I am not worried about that. But I do worry about what is happening in our own hemisphere and whether democracies will be weakened because of all the reasons we have talked about.

How can we strengthen America's leadership? How can we in Congress, which has a very limited role in the OAS, improve our influence in this hemisphere other than by appropriating dollars on the foreign assistance side or by speaking out at hearings? What more can we do? And how can we strengthen the OAS as an institution so that its commitment to democracy is carried out in its policies in a more effective way?

Mr. OLSON. I will try to answer that in 60 seconds. It is a huge challenge, no doubt.

I wanted to add one small thing. Not only Russia and external actors take advantage of the lack of rule of law, but so do criminal organizations. That is a priority for this administration, fighting transnational criminal organizations. I agree it is important. But it is not just about locking bad people up. It is also about building the capacity of the countries to hold people accountable, because they grow, they take root, they take over governments when there is no rule of law. And I think it is a huge priority.

One, make it a bigger priority, as I said. It should be front and center in our relationship and our policy. Two, as Eric pointed out, and I think we agree, we have to have the leadership at the OAS. I understand there is a newly named or appointed permanent representative to the OAS. I think that is essential. We have not had that person there for the last 4 or 5 years, somebody who will be a bully pulpit. But I also think our entire diplomatic corps needs to focus really strongly on these issues of rule of law, anticorruption, accountability, and press these issues at every step of the way.

I think, for me, this is the future. This is what we have to focus on. There are short-term issues—obviously, criminal organizations, gangs, yes. But if we do not help rebuild the fabric of democracy that goes beyond elections, I think we are just going to continually deal with these issues, the strongmen, the strongwomen, that come along and take advantage of institutional and governance weakness, who corrupt the systems.

That, to me, has to be a priority, and I would just encourage this committee and the two of you as bipartisan leaders to make that more central in what we push in our relations at the OAS, in the region, but also globally.

Mr. FARNSWORTH. I, too, think it is a huge question, and it is an important one. It would probably take more time than we have, unfortunately. But a couple points, just to react, if I can, Mr. Cardin, to your very relevant comments.

First, you have identified a fundamental difficulty with the OAS, and that is to say it is an executives' club, a club of national executives. And so where once the mission may have been different than

it is now, now nations are allowed to use it, and they do use it, frankly, to protect themselves, as opposed to promote any sort of vision. So they block and tackle when there are efforts against Venezuela or other countries, because those are the members of the OAS. It is the Presidents themselves.

That has been something that has been identified as something that needs to be looked at again in the context of the American Democratic Charter that was signed in Peru in 2001.

This has to be a broader effort. You have identified legislatures. I think that is entirely appropriate. How you bring that into an international body, I do not know. But I think it is a very important point.

Just a couple other quick things.

Number one is the power of example. The United States does have a very potent power of example. We have to recognize that. And people react to things that are said and done from the U.S. perspective in the Western Hemisphere. I think that is something that we need to add to our international toolkit, to understand that, when it comes to democracy promotion, people do not like to be lectured or tutored. They like to see what works in other countries and then maybe try to follow best practices.

That is something that I think Russia has done very, very well in the context of trying to create in the public eye some sort of equivalency between the Russian system and democracy. “Well, if democracy is so messy, what is the big deal, right? We can’t get justice here. Our economy is not doing well. People are corrupt. I might not even want to vote. Maybe the authoritarian system isn’t so bad. At least I have a job. I know what the future holds,” et cetera, et cetera.

And if it is simply a matter of my country is not going to have an international voice to say on Tibet or Taiwan, well as an individual citizen in Latin America, what do I care about that?

So people are making individual choices, and I think Russia and China in the Tibet and Taiwan example have found a particularly attractive vein to mine in the context of bringing moral equivalency globally to the idea that authoritarian systems and democracies are in some way equal.

I completely reject that view, but it is one that is being effectively promoted. And I think we have to start from an understanding—it goes to Chairman Rubio’s comments—we have to start from the basis that we are in a competition. There is a battle going on for hearts and minds and ideas. We are not competing in that, but it does not mean it is not going on. And if we are not competing, we are losing.

So this is something I think we have to take very, very seriously, and we need to do a much better job not just understanding that but then working that into our overall approach not just in the Western Hemisphere, frankly, but global democracy promotion.

We should not be afraid to stand for democracy. We should not be afraid to not just speak about it but resource efforts on it. My perception has been that has been lacking in some way, again, over the past several years.

The last thing I would say is a very specific point. We have talked about some ways to improve the anticorruption effort in the

hemisphere, some very good ideas that have already been mentioned. One that I do not think has been mentioned yet, we have talked about judicial independence. We have not talked about judicial training.

The idea of corruption is a really difficult issue to get one's arms around. What is corruption? The whole idea of definitional issues is important. But if you have a different legal system than we do in the United States and you have different training and you have judges who may not have the same sensitivity to some of these issues, it is probably unrealistic to think that even the best laid out case is going to come before a judge and be ruled on in any meaningful way just in the routine course of events.

So judicial training is something that I think has been identified over the years as something that we could do a lot more of and could be very beneficial in the context of trying not just to sensitize people to corruption but to actually do something about it.

Senator CARDIN. Let me thank both of our witnesses, and let me point out I agree with you completely that we need to counter what is happening by Russia and other countries that are against our way of governance.

And we did that. Congress authorized funds last year to do that, and our appropriators appropriated funds last year to do that, and we are now trying to increase that capacity and our own ability to counter the propaganda being sent out primarily by Russia, but there are other countries.

Senator RUBIO. Just as we close, a couple points on this competition, the world has always been influenced by whatever the most powerful country in the world's model is. There is no doubt that the fact that the most powerful country in the world after World War II was an open economy, democratic nation had a huge influence on the way many nations developed.

Now we are in this competition with this autocratic model that is making an argument. They point to our problems because we are an open society, so we broadcast the issues that we have, and we argue about them in front of the whole world and in front of each other, and they do not. Any bad news in China and any bad news in Russia is suppressed by state media that does not allow it to be reported. It is propaganda.

So they point to our model and say, "It is dysfunctional. It is broken. Look what we have." But they have another benefit, and that is they come at a very low price, at least in the frontend. They do not care about your human rights record. We will sell you stuff. We do not care what you do. We do not care what kind of government you have. We do not care if you are corrupt. We do not care how many innocent people you kill. These are not conditions. Ours comes with all sorts of strings. They would rather have our stuff.

And I am for it. I am not arguing that we should remove those things. I am just telling you that is the presentation that is made.

So oftentimes, you will see where nations in the region, for example, will make a military purchase of another country. They would rather have our things, but they are going to buy theirs because it does not come with the strings attached, and they actually would sell it to them while they would rather have ours.

This is not an argument for lowering our standards. It is just one of the pitches that they use.

But all being equal, they would rather have our technology. They also just would rather be closer to us. They are suspicious of Chinese intentions. They are suspicious of Russian intentions. And they would prefer to have a relationship with us. There are cultural links, geographic links, historical links, but they feel neglected. And I have heard that now over and over again for the better part of a decade. No matter who was in charge, they feel that the United States gives lip service to the Western Hemisphere but largely neglects it, and, therefore, kind of makes it vulnerable to this sort of activity.

I am not critical. I am disappointed the President will not make it to Lima. I understand the Syria situation is very significant, and he is going to stay here and handle that. I am not criticizing that decision. I do find it, however, symbolic of the broader challenge we face in the region for the better part of a decade, and that is every time we say we are going to focus on the Western Hemisphere, something emerges in the Middle East or somewhere else that distracts our attention away. In this particular case, it has happened once again.

Senator Cardin and I have a bill on war crimes accountability in Syria that we are hoping to get passed in the Senate, so it is a priority for us as well.

But ultimately, the last point I will make is, the one good thing that has happened is, over the last year and a half, we have seen a regional cohesion among the large economies, the most important regional powers, on the issue of Venezuela. I do think the administration, whatever criticism people may have about them on some other issues, has handled that one well.

They have been measured. They have been strategic. It has been slow and steady. They have targeted. They have taken their time in finding the right things to sanction. And they have done it in a way where it is not us telling the rest of the region what to do, but rather in partnership with them. And it is telling that these nations, Panama being the latest, have followed suit, as has the European Union and the Canadians.

And I do think embedded in their approach toward Venezuela is a way forward on a host of other issues in the region where we are truly partners and see in Brazil, in Colombia, in Argentina, in Chile, in Peru, in Mexico force multipliers, nations who, as their capacity grows, their ability and their regional leadership could be an asset and already is in the furtherance of these principles that we care about.

It is a region that we want it to be a source of good news, not bad news, a source of solutions, not problems. It really begins by capacitating these countries who are following these examples and helping them to the extent we can, often simply by engaging with them.

I mean, Argentina does not need a lot of foreign aid. They want to buy stuff.

Colombia is a good example. This is a nation that we have invested in significantly. They have real problems. We do not have time to get into them today on the peace deal and the like. But this

is also a country that is helping Honduras by sending trainers there.

So there is a lot here. Obviously, we could have dedicated a lot more time to this hearing, but I want to thank both of you for being a part of it and making it a priority to be here today.

This committee, obviously, is focused on this, but I hope we can encourage more of our colleagues to get engaged in the Western Hemisphere matters.

So, again, the record for this hearing will remain open for 48 hours.

Senator RUBIO. I, again, thank you both for being here.

With that, this hearing is adjourned.

[Whereupon, at 11:27 a.m., the hearing was adjourned.]

