

**THE STATE OF DEMOCRACY IN LATIN
AMERICA AND THE CARIBBEAN**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

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THE STATE OF DEMOCRACY IN LATIN AMERICA AND THE CARIBBEAN

WEDNESDAY, MARCH 24, 2021

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:02 a.m., in room SD-106, Dirksen Senate Office Building, Hon. Bob Menendez, chairman of the committee, presiding.

Present: Senators Menendez [presiding], Cardin, Kaine, Booker, Schatz, Van Hollen, Risch, Johnson, Romney, Portman, Young, Rounds, and Hagerty.

OPENING STATEMENT OF HON. BOB MENENDEZ, U.S. SENATOR FROM NEW JERSEY

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee on the State of Democracy in Latin America and the Caribbean will now commence.

Today we continue our series on the state of democracy in the world with a focus on the Americas. This year, we will celebrate the 20th anniversary of the Inter-American Democratic Charter, the groundbreaking manifestation of consensus in our Hemisphere that, “the peoples of the Americas have a right to democracy, and their governments have an obligation to promote and defend it.” Over the past 2 decades, we and our neighbors have endeavored to deepen our commitment to democratic governance, even as significant backsliding has occurred. Indeed, we in this very chamber are all too aware, as the fencing comes down around the Capitol Complex this week, that democracy can be fragile and requires vigilance. Autocrats and populists alike have borrowed tactics from the same play book, dismantling constitutional checks on power, attacking a free press, closing space for civil society, and using disinformation to sow discord and undermine citizens’ trust in government.

Although I am painfully aware of challenges to the U.S. following the same exact play book, including the January 6th assault on Congress, I firmly believe that the United States has to continue to fervently advocate for democracy promotion in the world and in our Hemisphere. Our unwavering efforts to form a more perfect union and continuously improve our democratic institutions and processes is not only one of our greatest strengths, it is one of the greatest assets we can share with our partners. While we know from diplomats and activists that President Trump’s actions made

it harder to champion democracy and human rights in our Hemisphere, we must not falter. The cost of inaction is too great.

There was a time when Cuba was the only remaining dictatorship in the Americas. However, with assistance from Havana, we have seen the rise of a criminal dictatorship in Caracas that poses risks to regional stability and U.S. national security. The Maduro regime's unbridled kleptocracy and criminality has fueled the humanitarian crisis that has forced over 5 million Venezuelans to flee their country, and there is growing evidence that the Maduro regime has committed crimes against humanity. It is time for the United States to lead a coordinated multilateral response that has been lacking in the last several years.

Over the last half decade, we have seen deeply flawed and fraudulent electoral processes across the Americas, whether it was Nicaragua in 2016, Honduras in 2017, Bolivia in 2018, Guyana in 2020, or Venezuela in 2017, 2018, and 2020. Each electoral crisis metastasized into a larger political crisis that shook the foundation of constitutional order in the country. We cannot allow this trend to continue. We must advance new initiatives to ensure the integrity of elections in the Americas. This includes ensuring that all people have the right and access to vote in free and fair elections.

Beyond the challenges to elections, the deterioration of democratic governance in several countries has perpetuated a growing culture of impunity in which public officials placed their personal interests and, in some cases, criminal interests over those of their own citizens. In Central America, citizens see no future in their countries. They see limited social programs gutted by corruption. They experience the absence of accountability. They watch as some government officials shirk their duty to ensure public safety, and instead use public officers to protect the violent criminals and drug traffickers that spread the very instability that fuels their poverty and hopelessness. And when the United States fails to prioritize human rights, good governance, and accountability as we engage with our neighbors, Americans are very directly confronted with the consequences.

I believe that we must restore our commitment to promoting democracy as a central objective of U.S. foreign policy, not just because it is right, but because it directly contributes to the security and prosperity of all Americans, and we must be clear-eyed about the cost of inaction. Russia has expanded its support for authoritarian leaders in Venezuela and Cuba. China has started exporting its invasive citizen surveillance systems to the Americas alongside its efforts to use economic influence for political gains. With the 20th anniversary of the Inter-American Democratic Charter upon us, and the United States scheduled to host regional leaders for the Summit of the Americas this year, it is the perfect occasion to develop a renewed hemispheric agenda. We have a unique opportunity to reaffirm consensus for the Charter's core message: "that democracy is essential for the social, political, and economic development of the Americas."

With that, let me turn to the ranking member for his remarks.

**STATEMENT OF HON. JAMES RISCH,
U.S. SENATOR FROM IDAHO**

Senator RISCH. Thank you, Mr. Chairman. Nearly 20 years ago, the members of the Organization of American States made a commitment through the Inter-American Democratic Charter to promote and defend democracy as a right of every citizen in our region. The peoples of the Americas have made great strides towards democratic governance. Today nearly 90 percent of the governments in Latin America and the Caribbean are considered democracies. Still, as then Governor Reagan reminded us, “Freedom is a fragile thing and is never more than one generation away from extinction.”

Widespread dissatisfaction with corruption and weak governance can lead to undemocratic and even despotic rulers. It is disheartening how quickly something like that can happen, even with just one or two leaders who are not committed to the rule of law and democracy. We do not have to look very far for examples. Within a generation, Hugo Chavez and Nicolas Maduro turned Venezuela from what it was—a democracy—into a failed state. Cuba and Nicaragua went through their own awful descents into authoritarianism several decades ago. These regimes have some of the world’s worst human rights records and certainly the worst in the Americas. They draw lessons from one another to sharpen state-sponsored repression, and they receive the support of malign state and non-state actors. This poses a unique challenge to the peace and stability of our Hemisphere.

These three outlier countries should be a warning sign in the Hemisphere. A series of flawed elections and attempts at undermining electoral process in Haiti, Honduras, Bolivia, and Guyana, endemic corruption, and the growing nexus between criminal organizations and government officials or institutions present serious threats to democracy in our region. The consolidation of power by a highly popular leader with authoritarian tendencies requires a strengthening of independent judiciaries, robust civil society, and independent media to provide the necessary checks on power.

Equally concerning is the negative effect of malign state actors, such as China, Russia, and Iran. While China has leveraged predatory lending practices throughout the region, they have provided a critical direct financial lifeline to the authoritarian regimes in Venezuela and Cuba, which has helped the regime secure their economic position and maintain control. Further, the adoption of Chinese technologies developed and controlled by companies vulnerable to pressure by the Chinese Communist Party can be formidable. It can be a formidable threat to privacy and to human rights. Russia has exported repressive laws and tendencies to its allies in the region, which, in turn, have allowed authoritarian leaders to crack down and repress independent media, civil society, and political opposition.

The United States has an enduring interest in a prosperous and stable Western Hemisphere, and democratic institutions are the best guarantors of prosperity and stability. I look forward to hearing from our witnesses on how we may be able to support those that seek to secure democratic governance for current and future

generations in Latin America and the Caribbean. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Risch. It is now my privilege to welcome back to the Foreign Relations Committee the distinguished Secretary General of the Organization of American States, our Hemisphere's preeminent multilateral body. First elected in 2015 and re-elected in 2020, Secretary General Almagro been a tireless champion of democracy and human rights in the Americas. He has been an outspoken advocate on the need to restore democracy in Venezuela and has led efforts to investigate the Maduro regime's involvement in crimes against humanity. Secretary General Almagro has facilitated numerous election observation missions in the Hemisphere and has been outspoken about violations of election integrity and incidents of electoral fraud.

Prior to serving as OAS Secretary General, he served as Uruguay's Foreign Minister from 2010 to 2015, and I can think of no individual better positioned to speak to the need to reinforce democratic consensus in the Americas and strengthen collective action to uphold the ideals of the Inter-American Democratic Charter. Mr. Secretary General, the floor is yours. We will include your full statement for the record, and we ask you to summarize it so that we can then have a conversation with you. Mr. Secretary General.

**STATEMENT OF HON. LUIS ALMAGRO, SECRETARY GENERAL,
ORGANIZATION OF AMERICAN STATES, WASHINGTON, DC**

Mr. ALMAGRO. Thank you very much, Senator Menendez, Senator Risch, members of the committee.

This year marks the 20th anniversary of the Inter-American Democratic Charter, our veritable constitution of the Americas. It is unique in its creation because it is the first document of its kind to define democracy and enshrine it as a right for all people of the Americas. For all the people of the Americas.

Member-states created a strong mechanism to bolster our Hemisphere's collective commitment to the promotion and defense of democracy. It also introduced the scenario that has proven to be the main threat to modern democracies worldwide, when the threat to the democracy comes from the government itself. With unanimous approval, the Democratic Charter not only established clear obligations for the exercise of democracy within a framework of law, but it also created the tools and authorities for its promotion and enforcement.

It is a tool that is available to us and one that we actively use. It has been invoked in cases where there has been an overt interruption of democratic or constitutional order, like the case in Venezuela in 2016 and Honduras in 2009. But it is also a means to support countries asking for assistance, as with the case with the 2020 mission to Guatemala and the 2021 mission to El Salvador. The Charter is preventative. It helps to stabilize democracies.

Restoring the hemispheric commitment to democratic values and principles in the Americas will definitely require a lot of work within the organization, but we also require American leadership through the model of the Democratic Charter. We require your political commitment and the resources necessary to supporting the consolidation of democratic activities. The OAS simply cannot de-

ploy democratic missions or implement activities without the financial resources to do so. You will need good friends and allies if you want to see successful policies implemented on a democratic path. If we shy away from these democratic responsibilities, we will all too quickly find ourselves in a hemisphere with unfriendly faces, surrounded by regimes who have rejected democracy, instead, choosing an ideology of corruption and repression.

Definitely we have challenges ahead, like COVID-19, and in that sense, governments throughout the region will need assistance in tackling the economic fallout and providing much-needed social services. We will need to pump additional financial resources into restarting economies, increased flexibility to face debts and provide loans. Equal access and equitable distribution of vaccines will be essential to post-COVID growth and recovery. Definitely the recent United States commitment to support its immediate neighbors access vaccines, it is a welcome start. More needs to be done to ensure vaccines also flow to your third border with the Caribbean countries and throughout the continent.

We have ahead, of course, years for elections, and definitely we need to improve election integrity. The problems that we have been faced with are a series of fraud elections. You have mentioned the cases of Venezuela and plus others. Definitely we have been facing that problem about the continent.

The Nicaraguan case is a case that needs an urgent and immediate electoral reform. We have done so in Honduras. We still have to improve a lot the way the Honduras democracy electoral process work. We are working with Haiti, too, in order to improve their electoral process, and we have to face extreme cases. Bolivia was an extreme case with significant irregularities. Election observers were essential. The electoral fraud in Bolivia represented a paradigmatic example of ill intention and bad practices with the goal of manipulating the electoral outcome. Definitely we can go through all the irregularities we found, including irregular servers—illicit servers, false information, tally sheets filled with irregular form, plus 20-something more irregularities.

Democratic processes must be transparent, inclusive. We need to work on technology because technological issues become a bigger challenge today for democracy, for our electoral process. Democracy needs democratization. We must address any kind of and all forms of discrimination in our society, discrimination against marginalized communities in cases of gender, of women, LGBTQ, indigenous people, communities of afro-descendants, migrants, older persons, persons with disabilities, or marginalized religious communities, and antisemitism. It should be targeted, and we should be avoiding any form of discrimination. We have to fight against corruption. The tool we have is the declaration of the previous Summit of the Americas. We have to work harder on these matters. We applaud initiative about having a sub-regional committee for investigating corruption in Central America. That is a very good starting point.

Misinformation and disinformation is also another topic in our—in our democracies. We are now in the preparatory phase of the Ninth Summit of the Americas, again, under the presidency of the United States. As we are entering the preparatory phase, it is evi-

dent that the recovery of the region in its health, economic, and social aspects will be very much at the center of our concerns, as well as the consequences on democratic values and practices in the region on this 20th anniversary of the Inter-Democratic Charter. Thank you very much.

[The prepared statement of Mr. Almagro follows:]

Prepared Statement of Luis Almagro

Senator Menendez, Senator Risch, members of the committee, this year marks the 20th anniversary of the Inter-American Democratic Charter; our veritable Constitution of the Americas. It is unique in its creation because it is the first document of its kind to define democracy and enshrine it as a right for all people of the Americas.

It was established in a moment of democratic fervor motivated by the end of a violent dictatorship, in a period was marked by enthusiasm amongst States to create a stronger mechanism to bolster our hemisphere's collective commitment to the promotion and defense of democracy. It also introduced the scenario that has proven to be the main threat to modern democracies worldwide; when the threat to the democracy comes from the government itself.

With unanimous approval, the Democratic Charter not only established clear obligations for the exercise of democracy within a framework of law, but it also created the tools and authorities for its promotion and enforcement. Recognizing the aberration of democratic progress could be a threat to the peace, stability, and prosperity of all OAS Member States, it not only enabled its signatories to act, but created an affirmative responsibility to act.

It is a tool that is available to us and one that we actively use. It has been invoked in cases where there has been an overt interruption of the democratic or constitutional order, as was the case in Venezuela in 2016 and Honduras in 2009, but it is also a means to support countries asking for assistance, as with the case with the 2020 missions to Guatemala and the 2021 mission to El Salvador. The Charter is preventative—it helps to stabilize.

With the political fragmentation and encroachment on democratic values we are experiencing today, achieving consensus on such a document—securing the tools and authorities it conveys—would be impossible.

In this moment, a hemispheric consensus on democracy is not so readily available and we are forced to confront the reality that we have dictatorships in our midst. Dictatorships with friends who are willing and eager to play a less constructive role in the region.

Our hemisphere has a shared fate and we must remain committed to building the path to more rights and more freedoms for the all people of the Americas and the means to respond lies with the Democratic Charter. By committing ourselves to realizing its goals both within our own borders as well as supporting the efforts of our neighbors we will achieve a path to shared prosperity.

Restoring the hemispheric commitment to democratic values and principles in the Americas will require U.S. leadership. American leadership through the model of the Democratic Charter will require your political commitment and the resources necessary to supporting the consolidation of democratic governance across the continent. The OAS simply cannot deploy democratic missions or implement activities without the financial resources to do so.

You will need good friends and allies if you want to see successful policies implemented on a democratic path and this friendship must be rooted, in consistent and positive leadership.

If we shy away from these democratic responsibilities, we will all too quickly find ourselves in a hemisphere of unfriendly faces, surrounded by regimes who have rejected democracy, instead choosing an ideology of corruption and repression.

The Covid-19 pandemic that has consumed our lives this past year is a pressing example of this. How we as a hemisphere emerge from this crisis will determine the future development and stability of our democracies. We need a generous and engaged posture from the United States, countries within and out of our hemisphere, and the commitment of the international financial institutions.

Governments throughout the region will need assistance in tackling the economic fallout and providing much needed social services. We will need to pump additional financial resources into restarting economies, increased flexibility to face debts and provide loans. We will have to strengthen technological capacities as we rebuild our workforce. Each of these will be key factors to speed up economic recovery. All of

these will be essential in maintaining the confidence of electorates in the democratic processes governing them.

Equal access and equitable distribution of vaccines will be essential to post-Covid growth and recovery. The Governments of Russia and China have engaged early in supporting vaccine distribution in the region, in a global roll out that has left many countries behind. The recent U.S. commitment to support its immediate neighbors access vaccines is a welcome start. More needs to be done to ensure vaccines also flow to your third border with the Caribbean, and throughout the continent.

This year, 10 countries in our hemisphere are scheduled to hold elections¹ against a backdrop defined by a pandemic that has all but erased a decade of economic progress. With unemployment and inequality rising, more and more families are being forced back into poverty. What is already threatening to be an uneven exit from this crisis can only lead to further discontent and disillusionment with systems of government not seen to be willing or able to adequately support the needs of its people.

Shoring up trust in democracy requires the respect for basic norms. The peaceful transition of power, for example, is a hallmark of democracy. One that simply offers a temporary shift in direction, not a scenario where the winner takes all. This is not the purpose of democracy, every individual that is elected—chosen by their citizenry to represent their voices—is responsible to, and for, all of their constituents, even those who did not vote for them. If we allow scenarios that do not respect this basic truth to take hold, it is the people who pay the highest price because the election becomes about power and not about representation.

There is a certain kind of leadership that does not want to relinquish power. For some, when they have been touched by power, they are seized with a desperate, self-ish need to hold on. Power is their path to wealth and business; it provides them immunity and guarantees impunity and elections have become zero sum. If the winner takes all, and political loss is met with retribution, it inevitably becomes easy to justify using any and all means to stay in power.

Those fearing a loss of popular support resort to false reforms of democratic institutions to maintain a competitive advantage. We see the politicization of justice. Independent electoral councils are subverted with political appointees. Courts are used to overturn electoral outcomes, undermine and break up political parties, and ban popular figures from running for office. Democratic institutions are coopted, coerced and dismantled to consolidate one political grouping's grip on power. We must be willing to speak up early, before these practices are allowed to take hold.

These practices have been manifested through a series of flawed elections. The so-called elections in Venezuela were a complete farce. We must be willing to learn the lesson here and now, and we must be sure to learn the rights lessons. Each one of these cases was unique and election observation, or the lack thereof, played an integral role.

The theater that played out in Venezuela's last two so-called elections was, without reservation, simply illegitimate. This is a criminal, authoritarian regime that has perpetrated crimes against humanity against its people. Elections are a cynical show and nothing more. Every action taken by this regime is designed to further intensify the conditions of internal pressure, taking them deeper and deeper into a crisis that has forcibly displaced five and half million refugees; allowed grand corruption and gross mismanagement to decimate the country's economy; and imbedded terrorist groups and organized crime into their system of governance.

We must also be clear-eyed about the political consequences, ones measured in ideas, not in numbers. The perceived success of Venezuela's consolidation of authoritarian practices has established a political legacy. What is the message they are delivering? Don't give up political power because if you do you will end up in jail or facing prosecutions.

What has happened in Nicaragua should represent for us an early bellwether—they have politicized the security apparatus, coopted and corrupted the democratic institutions, eliminated the opposition, shut down the civic space, and close off to the outside world. Stay in power, at any cost. Without significant engagement and effort by the international community, elections scheduled for November have little hope of being free and fair.

After the 2017 electoral process in Honduras that was a result of deeper, structural problems. The irregularities echoed the same problems from previous elections, resulting in the same problems in managing the results. The OAS has engaged in reform of the electoral process.

At present, we are working with Haiti about their electoral reforms.

The situation in Guyana was one where support from the OAS Electoral Observation Mission proved essential. It was a tenuous situation that needed to be handled with care. The EOM, present and patient, allowed for the election issues to be set-

tled for a transition of power to take place. It was a fluid situation that could have easily been broken, and once broken it is much harder to put all the pieces back together.

The situation in Bolivia was an extreme case. With significant irregularities, election observers were essential. The electoral fraud in Bolivia in 2019 represented a paradigmatic example of ill-intentioned bad practices with the goal of manipulating the electoral outcome. Among other irregularities all of the following were observed:

Weakening of the electoral authority; intentional stoppage of the Preliminary Results Transmission System (TREP); clandestine servers, hidden server manipulation; use of a parallel technological scheme for improper purposes, improper remote logins into the system; access of unauthorized persons to the system; supplying of false information and deliberate attempt to hide server; false information regarding servers used; malicious and irregular filling of tally sheets; burning of electoral materials; the metadata of the TREP images was not preserved; the hash value was not recorded in the software freezing act and modifications to it were later made in the middle of the electoral process, irregularities in handling of foreign acts; residuals of databases and the NEOTEC application were found in perimeter servers; unexplained and unauthorized entries to the system, the person in charge of the NEOTEC company modified the Official Computation (Cómputo Oficial) software during the process on more than one occasion; at least 1,575 tally sheets of the TREP (environment whose network was violated and manipulated) entered directly into the Official Count; through SQL statements (which allow data to be changed without using the application) the database was accessed to resolve flaws in a calculation algorithm; there was no adequate preservation of the evidence on the election; the poor chain of custody did not guarantee that the electoral material had not been tampered with and/or replaced, original voting records from abroad (unfilled) were found at the TSE facilities; and the authentication for the use of the tally (cómputo) system software was weak and allowed someone to take control with administration roles.

As described the situation in Bolivia has been a matter of concern for the OAS General Secretariat, which has been monitoring things since the fraud in 2019 and even before that. With regards to the fraud in 2019, the reports of the Electoral Observation Mission and the subsequent Audit Mission are public documents and the Organization is ready to share further relevant evidence with the Committee. Current efforts by the General Secretariat are aimed at ensuring that there can be justice without discrimination in Bolivia. Without an impartial and independent judicial system, democracy in Bolivia cannot be sustained, and the OAS General Secretariat has issued public statements to that effect in recent days.

In order to maintain the confidence of the people, democratic processes must be transparent, inclusive, and accountable. The processes and rules must be clear and adhered to. In the case of elections, the main task of the OAS is to observe and document what it witnessed. It is not subjective. When people take issue with our reports, it is because they don't like the facts. Strong and continued support for robust international election observation will be vital in ensuring these processes earn the trust and confidence of those casting their ballots. We also need to invest resources and political support to follow up on the recommendations for strengthening the reforms proposed by these EOMs. And we must prepare for what lies ahead.

When it comes to elections, the biggest challenge of the future is technology. Elections conducted with paper ballots are easy to observe. However, with each year, the technology infused into our electoral campaigns and processes advances at an exponential rate. By the time we adapt to one set of tools, they have already been superseded by updates or altogether new tools or platforms that have been newly created. It is evolving at a such a pace that makes it all but impossible to keep up.

If we struggle to keep pace with the technology our children are using, how do we ensure that our means of observations are evolving fast enough to adapt to the tools of tomorrow.

If we want electoral processes that are inclusive, we also must ensure that all citizens have full access to representation and full participation. This requires that the right to suffrage is universal and equitable, and that the conditions exist for its effective exercise. We must ensure that there is equity in voter registration, access to polling locations, and the casting of ballots, all of which must be considered in our observation activities. Further, this also requires that programs and policies carried out by responsible public institutions favor the full and effective exercise of both men's and women's right to vote on an equal footing.

We must also address any and all forms of discrimination in our society, be it discrimination against marginalized communities including women, LGBTI persons, indigenous peoples and communities, afrodescendents, migrants, older persons, per-

sons with disabilities, or marginalized religious communities, including through anti-Semitism, or the targeting of any other marginalized group. One case of discrimination is too many, and we must approach this as a problem of rights in society as a whole. Ensuring there are free and fair elections process, democratic institutions and constitutional mechanisms are robust, and there exists the separation of powers and an effective and independent judiciary, all people, will secure their access to the political and decision-making processes. An environment with stronger democracies and rule of law, offers better protection for human rights, greater security and more prosperity for religious freedoms and all minority communities.

Security is also essential if we want better democracies. Latin American is the most violent region in the world. We need to address this problem so that we can better fight against drug trafficking and organized crime if we want better democracies.

The dictatorships of Cuba and Venezuela are permanently at work to erode political stability and democracy in the region. With a great deal of help from Cuba, the Venezuela dictatorship has created the worst humanitarian crisis this region has ever experienced, the worst migratory crisis ever in the region, and its dictators have been accused of corruption, crimes against humanity and drug trafficking. It is also host and safe haven for terrorist organizations including FARC dissidents, ELN, and Hezbollah. We urgently need a solution. The first step is to unify the international agenda and then to work this unified international agenda in order to restore justice and democracy back in Venezuela.

The United States will host the next Summit of the Americas. The legacy from the 2018 conference is the Lima Commitment, Democratic Governance Against Corruption, presenting a hemispheric commitment to the fight against corruption. As the hosts of the next Summit, the United States has an opportunity to ensure progress continues and that these words are translated into tangible actions.

I applaud the recent proposal for a regional commission to investigate corruption in Central American sub-region. By tackling this issue at the sub-regional level, it recognizes the transboundary nature of the problem, and if combined with efforts to support domestic institutions and capacities, has the potential for a sustained and meaningful impact.

At the national level, we need to work with governments to address corruption at its root. This requires developing institutional capacities with clear and consistent rules and regulations, implemented in a transparent manner, that deters abuse, and is complemented by credible and independent mechanisms for accountability and enforcement. This is much more than a political solution, it requires strengthening the rule of law and ensuring that the judiciary can function independently, even when it runs contrary to the political interest. The main aspiration of any government should be that no one steals. We need to help governments make this a reality.

Efforts to pursue external accountability, without sufficient means to prevent the abuses in the first place, are not sustainable. Every president and political figure fears exposure. What they need is help for their governments in developing capable institutions with the systems and incentives necessary to prevent theft or corruption to begin with.

For democracy to succeed, we need to maintain the confidence and trust of the public. Well before the world was shut down by the global health crisis, large-scale protests were an increasingly common occurrence across the hemisphere. Some of these were prompted by allegations of corruption, but all were a response to the extreme inequality that persists in our hemisphere.

The recent wave of populism that seems to have seized the global political sphere in recent years is not actually a new phenomenon. It has always been around. The distinction is that people weren't voting for them. The challenge is 'why are people voting for them now?' Until we address the 'why', politics as usual will continue, and political figures will keep taking this divisive approach because it is what allows them to win.

The third wave of democracy that brought representative governance is what brought us here. Governments must be responsible to their citizens, if they want their citizens to be responsible to them. People are still poor. They still see inequality everywhere. Inefficient governments have failed to adequately address these issues fueling political fragmentation and the appeal of populism. And so, populist leaders swept to power with promises of political transformation and democratic renewal.

But as our experience tells us, these promises more often than not come with measures claiming 'fix the system' that do little more than undermine governance. The weakening of democratic institutions and processes is a narrative that lead to dictatorship. Dictatorships keep proving to be the least efficient form of government,

but where they do succeed is in eliminating the opportunity for their citizens to choose.

Misinformation and disinformation also affect our politics and governance in a manner like that of technology in elections because it involves many of the same tools. New technologies have disrupted how we relate and interact with one another, inspiring democratic revolutions while also providing means for surveillance and the amplifying of misinformation.

Misinformation is not so much a question of fact versus fiction, but one of false narratives. These stories are created to install doubt. Doubt about the facts, doubts about democracy, its institutions, and the work of politicians. And there is only one aim; the erosion of public trust and confidence.

The problem is that people are not, in fact, fighting against the use of these false narratives. Instead, the other side is adapting these tools and practices for their own ends and countering with their own messaging and what we are faced with is a perpetual fight between competing narratives. Further, these tools and techniques are being industrialized, and troll farms and bots are used to pump out comments and amplify the scale and profile of their preferred storyline to unprecedented levels.

We need to develop the methodologies to facilitate the reliable integration of technology into our elections and political processes. This involves tackling the manner in which this information is shared in the public space. This requires regulation, establishing policies and standards that guide governments, candidates, political actors and the technology firms themselves. And with this regulation, we must introduce accountability. Such an endeavor will require sustained political interest in determining the appropriate path forward as well as the resources to invest in its implementation, oversight, and observation.

We must be careful not look at the encroachment on democracy in the Americas from an ideological vantage point. Greed and the hunger for power is not something that stems from either the right or the left. The suffering our region has experienced at the hands of dictatorship has been caused by those claiming to represent the Left equal to those claiming to represent the Right.

The only relevant ideology is one that reinforces our region's commitment to the fundamental principles of democracy, human rights and the rule of the law, for their antithesis is corruption and repression.

If there is a message that I can leave you with today it is this: *esta es nuestra America*. This is our hemisphere. A continent that we share. Prosperity for one, benefits us all. The United States must be prepared and willing to be leaders as our hemisphere faces this struggle for democracy.

At the center of the inter-American system lies the figure of the Summits of the Americas. This process began in 1994 when the United States hosted the first summit in the city of Miami. In their initial period, the summits achieved much as an instrument to advance the best democratic practices of human rights and as a weapon against corruption. The first summit bore fruit in the world's first anti-corruption agreement: the Inter-American Convention Against Corruption, and for its follow-up, the Mechanism for Follow-up on the Implementation of the Inter-American Convention against Corruption (MESICIC) coordinated by the Organization of American States until today. Similarly, in 2001, in order to face democratic risks in the region, the heads of state and government in Quebec City gave instructions for the OAS to negotiate the Inter-American Democratic Charter, which was finalized the same year on September 2001 in the city of Lima Peru.

We are now in the preparatory phase for the Ninth Summit of the Americas, again under the presidency of the United States. As we are entering the preparatory phase, it is evident that the recovery of the region in its health, economic and social aspects will be very much at the center of our concerns, as well as the consequences on the democratic values and practice in the region on this the 20th anniversary of the Inter-American Democratic Charter.

The mantle of leadership can be heavy, but it is one that can and must necessarily be shared if we are to succeed. This message is not just for members of this Committee or for the Government of the United States. As citizens of the Americas, and Members States of the OAS, we each have the responsibility to act as leaders when it comes to fighting for just cause, and there is no cause more just than that of human rights, democracy, the rule of law, and development.

We must choose to support our friends and work to strengthen the democratic institutions that serve our people. We must remain committed for the long haul, working on sustained programs that support democratic institutions, even when the work appears tedious and mundane, especially then. Focusing on elections is important, but it is not enough. Democracy is a process which must continue to be strengthened and evolve, well after election outcomes drop out of the headlines.

Governments must be prepared to deliver in the days and months after because that is where democracy itself will win or lose. It is ensuring a quality of life while providing guarantees for the fundamental rights and freedoms of a people that will win hearts and minds.

Note

¹Ecuador, El Salvador, Chile, Haiti, Peru, Mexico, Argentina, Paraguay, Nicaragua, Honduras.

The CHAIRMAN. Thank you, Mr. Secretary General, and we will go through round of 5 minutes of questions. Let me start off with, the demolition of democracy in Venezuela has led to the emergence of a failed state and the Venezuelan people suffering a political, economic, and humanitarian crisis unrivaled by anything in our Hemisphere. Under the Maduro regime, criminality and corruption rein. Both the OAS and the United Nations have produced evidence that the regime is complicit in crimes against humanity.

I know you have been outspoken about the situation in Venezuela and its impact on the region as well as the urgency for the international community to do more with reference to this crisis. What additional steps should the international community, and, specifically, countries in the Americas, take to mitigate the crisis and restore democracy in Venezuela? What additional steps can the OAS take to advance that agenda?

Mr. ALMAGRO. Thank you, Senator. Venezuela is an extreme case if you want to target the worst dictatorship we have ever had because it includes—we can see there, the dictators of Venezuela are accused of crimes against humanity in the Hague Convention. They are accused of drug trafficking in New York. Nephews of the President are in jail in the United States because of drug trafficking. Corruption is the highest ever in the history of the Hemisphere and maybe the history of the world.

Just to put a case, all the black corruption amounted for something like \$800 million in bribes in 15 years, all the cases of all the black corruption. The corruption of—just one case of PDVSA, the Venezuelan oil company, in Florida is \$1.5 billion. That means it is double of the whole corruption—all the black corruption in 15 years, just one case of corruption. That is why the amount of corruption of the Venezuelan regime targets about—at least \$90 billion. That is a Marshall Plan in currency now, so that is what the Venezuelan people are paying.

This dictatorship brought the worst humanitarian crisis ever in the history of the Hemisphere, the worst migration crisis ever in the history of the Hemisphere, brought the worst cases of hosting terrorists in the history of the Hemisphere. There you have FARC dissidents, ELN, plus you have international terrorist organizations, like Hezbollah. So practically, we have the worst of the worst in the Venezuelan dictatorship.

The issue is that we have a very fragmented international agenda, and we need to unify that international agenda if we see the strategy of the regime is to fragment agreements with different actors in the international community. So they have their own conversations with the European Union. They have their own conversations with Norway. They have certain conversations, of course, with some other actors in the Hemisphere, out of the Hemisphere with China and Russia. We have also different political ac-

tors interested in participating in a—in a different level. We have—these cases do not help to bring democracy back to Venezuela.

The CHAIRMAN. So forgive me for interrupting you. So then is what you are saying that a multilateral approach that is coordinated, whether it be on sanctions or, for that fact, humanitarian aid—

Mr. ALMAGRO. It has—

The CHAIRMAN. —to the people of Venezuela is what needs to be marshaled together?

Mr. ALMAGRO. It has to be a coordinated international agenda.

The CHAIRMAN. Uh-huh.

Mr. ALMAGRO. We have to have a common international agenda related to Venezuela. We have to unify the agenda that—with Norway, and European Union, United States, the Organization of American States, and the rest of the countries involved in the Venezuelan case, with a special participation of the neighbors.

The CHAIRMAN. Let me turn to one other question because my time is about to expire, so I have a sense of what that requires. It is interesting to note that the Venezuelan opposition is, for lack of a better name, is in meetings to try to bring together civil society, different political parties, and other elements in a common agenda, which I think would be very important. I want to ask you about one of the most troubling trends in the Americas, the lack of respect for separation of powers by certain elected leaders, whether it is a President that urges a mob to disrupt the certification of an election, or a President that enters a legislature with armed members of the military, and an act of intimidation. There are concerning examples that I could—that I am sure you are aware of throughout the Hemisphere in El Salvador, Bolivia, and elsewhere. Each time an elected leader seeks to dismantle constitutional checks on power and weaken the rule of law, it shakes citizens' confidence in their democracy.

Can you speak to us about the importance of respect for the separation of powers, and what ultimately is at risk when elected leaders in the Hemisphere abuse the power of their offices to undermine democratic institutions and processes? And what tools do you have or would you like to reinforce the importance of the separation of powers in the Hemisphere?

Mr. ALMAGRO. The main tool we have, of course, is the Inter-American Democratic Charter. And in that sense, for example, we were—we were called to go to Guatemala in 2020 and to El Salvador in 2021 because of the concerns of the different branches of government related to how check and balances were working, and there we provided, of course, our assistance. We focused mainly on political dialogue. We worked on strengthening the institutions. We worked hard in bringing new capacities, and human resources, and technology to these institutions. And, of course, we worked very hard in ensuring that the elements of corruption or organized crime do not affect this—the work of this institution.

So the main tool that we have always is the Inter-American Democratic Charter. We issued a couple of communiques related to Bolivia lately when it started something that, of course, a discriminatory way of the Bolivian judiciary to approach politics, absolving

ones and lynching others. So that, it cannot work, never. We have to be always aware that the independence of branches—of different branches of government is the most important tool in democracies, and checks and balances is an imperative in our—in our democracies in the region.

So we have worked hard about this matter. We try to push forward in this direction. And the tool we have and the commitment that we have with the Inter-American Democratic Charter, it will be the main element in order to try to stop this—these cases.

The CHAIRMAN. Thank you very much. Senator Risch.

Senator RISCH. Thank you, Mr. Chairman. Let me stay on Venezuela for a minute here. The U.S. led a successful effort to build a coalition of like-minded countries within the OAS to invoke the RIO Treaty, and increase multilateral diplomatic pressure on the Maduro regime in Venezuela. In your opinion, what effect has the invocation of the RIO Treaty had on the Maduro regime?

Mr. ALMAGRO. I think—it worked—it worked very well, and it hurt the regime. The way that it was approached, the case of Venezuela and the Organization of American States on the RIO Treaty, was very important in order to increase the pressure on the regime and not allow the regime to enjoy impunity for their actions. So the legitimacy of the Government was declared. Sanction to their—the leaders of the dictatorship were established. These sanctions, of course, focused on persons and procedures—targeted procedures that were working not in a proper way within the regime. A lot of the financial mechanism of PDVSA was in order to make it—to do money laundering or drug trafficking or corruption.

So we have a lot of—a lot of tools that have been implemented already, but have been implemented mainly by the United States and have been implemented by a couple of countries. Panama was one of them, and—but it was practically the only country in the Americas who implemented those—implementing those sanctions. I think the capability of these sanctions is important, that it is done by the whole Hemisphere to have a positive result of pressure on this regime.

What the United States have been doing, it is extremely relevant. The multilateral effort and multilateral pressure has been an important tool. But to work properly, we need to—everybody in the world, every country in the world, and especially those committed to democracy, to act in the same way, under the same pattern, and creating the same conditions of pressure because, of course, it will never work if you put pressure on one side and somebody release the pressure on the other side. That is why I mentioned today the need to unify the agenda, a multilateral—a multilateral approach that will put everybody on the same page.

Senator RISCH. Well, thank you for that. Speak for a moment, if you would, about what you see the future of all this is. I think all of us have been greatly disappointed as to how long Maduro has hung on. I remember sitting in this committee shortly after Maduro took over, and everyone was predicting short-lived, and that Juan Guaido would be properly recognized, and the country would shake itself off Maduro and go forward, and, of course, that has not happened. And when you get to this position, you start thinking are we headed for another multi-decade situation like

happened in Cuba or other countries. What is your sense of timing? What is your assessment of how this thing ends, how it moves forward from what the current conditions are?

Mr. ALMAGRO. I think more needs to be done, and more by different actors of the international community. It is very difficult for Venezuelan actors to create conditions to reverse the political situation. First of all, what they have done internationally, fragmenting the international agenda, they definitely have done it internally within the country, fragmenting the opposition with partial agreements with all political actors. And that fragmentation of the agenda, of course, brought a lack of perspective of the real objective and the need to have a real objective that is the democratization of the country.

President Guaido has done what was at his reach, but—and according to the resources he had, he did an extraordinary job. He definitely needed, and he still needs, more international support, not only in the terms of recognition, but also in practical terms that can help him in order to definitely be able, with material resources, to change the situation. And for that, of course, we have to understand that this country is suffering the worst humanitarian crisis ever. It has suffered the worst migration crisis ever. So mobilizing people these days in Venezuela—mobilizing the people these days in Venezuela is not so easy. Half of the people is without food or without medicines and living a miserable life. They cannot march because they do not have shoes. So that is the situation of the Venezuelan people today.

We definitely need to address the humanitarian situation of the—of the people in Venezuela, but we need to create internationally the conditions in order to have a unified agenda, as I said, that would be able to support strongly those—that they have a way of moving forward in a strong way against the dictatorship. Dictatorships, they collapse under pressure. They never collapse if they do not—if you do not put pressure on them. They can last for decades. And pressure definitely is the biggest element, the biggest tool, international pressure, in order to make the life of the dictators of Venezuela miserable and in order to be able, in that sense, to support the country.

The biggest sanction that—the most cruel sanction that the—that the Venezuelan people has suffered has been to suffer this dictatorship that created all these conditions during this time. That is definitely is an imperative for us to be able to reverse that situation, and we have to use all diplomatic and political tools available to do so.

Senator RISCH. Thank you very much. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Cardin.

Senator CARDIN. Thank you, Mr. Chairman. Mr. Secretary General, thank you very much for your service, and thank you for joining us today. As we talk about the status of democracy in our Hemisphere, we need to look at the status of good governance, and, unfortunately, we have so-called democratic states that have weakness in governance that we really need to work on.

Last year, the Congress passed legislation that Senator Wicker and I introduced that dealt with strengthening the parliamentary

aspects of the Organization of American States, calling on a formal mechanism to involve parliamentarians in the operations of the OAS, including considering an annual forum. We use the example of the OSCE, in which the Parliamentary Assembly has been very effective in promoting good governance.

I would just give you, by way of example, the initiation of the trafficking commitments globally to fight, human trafficking, to deal with the Global Magnitsky statute, came out of the Parliamentary Assembly. Many of us have participated in free and fair election observation teams that have been in country. I was with Senator Portman in Ukraine as we observed elections. It gave us a much better feeling of the circumstances, and, quite frankly, we are not as restrained as diplomats are in the nicety of language. We can go back and speak truth to power as to what needs to be done. Are you committed to working with us to implement greater parliamentary participation in the OAS?

Mr. ALMAGRO. Yes, Senator. Thank you very much. Yes, we are—we are ready, and we have talked about this issue. I think it is a very important matter, and a stronger connection and stronger links of U.S. senators and congresspeople to—with the parliaments of the Americas will be extremely helpful in order to provide stronger parliaments everywhere in the Hemisphere and, of course, better capacities of these parliaments and parliamentarians. So we are ready to work together.

It was a pity that COVID-19 stopped this, but as soon as normal life is restarted, I am sure we can—we can create conditions for a stronger participation of United States' senators and Congress in order to engage better in the activities of the Hemisphere, and definitely create different conditions for them—for their work, and that will create definitely stronger democracies.

Senator CARDIN. I would just point out that when parliamentarians are involved, there is a much better chance that the policies adopted by the Organization will be implemented in their particular states because they go back and act and promote the policy. So it not only gives you a richer involvement to deal with the problems of our Hemisphere, it also gives us a better chance to see implementation of those policies in the member-states.

There is a very troubling trend in our hemisphere, and that is corruption. For a hemisphere that brags about having democratic states, we lead the world in the number of states that ranked the worst in fighting corruption. Venezuela is ranked 176th out of 180. Haiti is ranked a 170th out of 180. Nicaragua, 159th out of 180 in their suffering from corruption. And I could mention Honduras, Guatemala, Paraguay, Dominican Republic, Mexico, and Bolivia. All those are well above the world average. So my question to you, what initiatives are you pursuing within the OAS, and how can we help you in dealing with the increasing concerns about corruption which erodes democratic institutions and makes it much more difficult for us to have true democracies in our hemisphere?

Mr. ALMAGRO. Thank you very much. I think we have to start with supporting governments today in order to have more transparent policies, more transparent and fair mechanism and procedures that would not allow—will give less margin to corruption. If I could be ruling a country today, my first objective, my top priority

would be that nobody around me steals anything. Nobody in my entourage of government would steal anything because that will bring a lot of problem for the current government and, of course, for the welfare of the ruling leader today. So I think we have to create stronger programs and projects in order to support cleaning inside of these governments today. Government transparency, more transparent government—governance, all that is extremely necessary and should be promoted in the hemisphere.

And then to have a more able justice—more able justice systems around in order to fight corruption and previous corruption. To end the impunity of corruption, that is something that still—we have moved from a certainty of impunity to a possibility of justice, but we are very far away from a certainty of justice that we need to achieve in the Hemisphere. Definitely, it is a structural problem, structural in most—in the political systems that you mentioned that practically where you have to reset them and restart them, and making them work in a completely different manner. The way they are doing their job, definitely today it does not work, so it—we need to create new capacities, and we need to provide assistance in order to rule in a different way. If they keep doing the same—I mean, you can judge them later. You can prosecute them. The same problems will keep appearing.

Senator CARDIN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Romney.

Senator ROMNEY. Thank you, Mr. Chairman, and, Mr. Secretary General, I very much appreciate your being here and appreciate your service to the OAS and to our hemispheres. And I presume that being the father of seven qualifies you for the kind of interactions you have to have with leaders of various countries. It is not lost on you or any that watch what is happening in the world to recognize that there is a great competition going on in the world between a future that includes democracy and liberal democracy, and instead an authoritarian future. And that is playing out in Latin America as it is throughout the world.

As you look at what is happening in Latin America, how much of what we are seeing there is a result just of domestic passions and interests, and how much is being influenced by foreign actors? And by that, I mean ourselves—the United States—Russia, China, whether Venezuela or throughout the continents. Is this a domestic issue that we are seeing, domestic passions playing out, or is this instead being influenced to a great degree by China, Russia, and the United States? And what is our relative capacity, meaning, how effective is China being compared to the United States, for instance? So I know I am asking a lot of questions there, so I will let you respond as you feel appropriate.

Mr. ALMAGRO. Thank you. Thank you very much, Senator. And, yes, we have structural problems in Latin America. Those particular problems is, for example, we are the most unequal continent in the world. Another structural problem is violence. We are the most violent region. We kill—we have more violent death than any other region in the world. We have had structural poverty of the same kind for hundreds of years, I mean, and I always put the example of my country where we seem to be the most equal country.

Uruguay seems to be the most equal country in Latin America, and still you have the same structure of poverty that 250 years ago when Arteaga did the land reform of the country. That means, for example, the descendants that is 8 percent of the population, they count for 40 percent of poverty. Those days where it was children, today are single mothers that count also for a huge percentage of the poverty of the country. We have structural poverty—structural problems that we have not been able to resolve. Our countries, of course, they are facing corruption, and that, of course, creates—offer conditions for the functioning of democracy. Organized crime, drug trafficking have created structural problems, and very difficult to make elections when you kill candidates all about, when the candidates are killed all about, or some others resign in order not to be killed. You see that you have there structural problems in how democracy can work.

So I think we have been more efficient in destroy—in Latin America, we have been more efficient in destroying democracy than the international support that we have had for that. Of course, some—this country believes in democracy, and so they are always trying to influence the right decisions, the separation of the—and independence of branches of government, the free press, freedom of expression, the fight against corruption. Of course problems of security are all about the hemisphere. And some countries, they do not have that as a pattern of their political systems, so, of course, they are not so interested in promoting that. Whatever is there, it may work for them, but sometimes corrupt regimes may be better in a sense that it is easy to operate. If you do illegal mining, it is easier in Venezuela than in a democratic country. If you do an ecosite, it is easier in Venezuela than in a democratic country.

So even if these factors intervene, and, of course, we have a regional factor, and that is Cuba. That is a dictatorship of decades that is still there, and have worked very hard in the 60's, 70's, promoting unrest all about the hemisphere, just trying to destabilize democracies in their own way. It is a failed system. That system never worked in the world. It did not work in Central Asia. It did not work in Eastern Europe. It did not work in the Soviet Union. It did not work in Cuba, and now it is not working in Venezuela. And so, but their political approach is always to create problems for the others, to make their problems sort of less evident.

And, of course, their presence in Venezuela, it is clear how they have influenced Venezuela to go that track. The presence of 20,000 Cubans in Venezuela is a problem. It is the biggest problem that Venezuela is facing, and if you want to have a democratic Venezuela, one day Cuba will be part of the problem and not part of the solution. I am sorry for that. They have been part of the problem the past 18 years, 20 years. So we assume—we have to assume our faults and our shortcomings and our mischievous behavior, but, of course, sometimes some have helped to go down the cliff.

Senator ROMNEY. Thank you.

The CHAIRMAN. Thank you. I understand we have Senator Rounds virtually.

[No response.]

The CHAIRMAN. Senator Rounds?

[No response.]

The CHAIRMAN. All right. Let me move to Senator Young.

Senator YOUNG. Welcome, Mr. Secretary General. It is good to have you before the committee. Your testimony today describes the work that Russia and China are doing through vaccine diplomacy. It is clear that both countries intend to use this crisis, which, ironically enough, emerged, it seems, from China, and was certainly exacerbated by China's failure to disclose in a timely fashion the gravity and nature of this virus. We still do not have all the information. But nonetheless, it is clear that both of these countries intend to use their vaccines as a tool to accomplish a broader foreign policy set of goals and to develop inroads similar to what we have witnessed China do with its Belt and Road Initiative.

In recent days, I have heard that China is providing vaccines to some countries in the Caribbean and throughout Latin America in exchange for changing their diplomatic relationship with China or recognition of Taiwan. If successful, this would be a significant shift in the People's Republic of China's favor as a majority of Taiwan's diplomatic partners globally are in Latin America currently. So, sir, are you worried about countries receiving these vaccines with some potentially significant strings attached?

Mr. ALMAGRO. Yes, some countries have been—India, for example has already—has also provided donations—mainly donations to Caribbean countries. And, of course, this makes countries grateful because when you do not have—you do not find solutions anywhere else, you find solutions wherever you can in order to vaccinate your people. So that is why I asked during my presentation for a stronger commitment of the United States of America in order to deliver—you have delivered vaccines to Canada and to Mexico. You have a border that is CARICOM countries, Caribbean countries. They should be attended to. They should be taken care of, too, and the rest of the hemisphere.

And that is the most relevant matter today to be close in this situation, and it is a relevant matter. And to work in a positive way in order to deliver solutions to the country of the hemisphere, it will be something that will be good for everybody. I mean, most of these countries have looked to buy vaccines here, and that is something that have been—to be taken care of. I mean, they have looked here to—in order to buy the vaccine, so something have to be stronger. Solutions should come from here, not only for the borders, but also for the rest of the continent.

Senator YOUNG. Yes. You know, it is such a difficult challenge. As you might imagine, every country wants to ensure that their people are cared for. That is what countries do. They care for their own people. But at the same time, we have allies and partners, especially those here in our region that we would also like to be helpful, too, in addition to providing those vaccines, which, of course, no doubt is essential. You have emphasized that. China, there again, ironically has been the first to emerge from this pandemic seeing as they have a better understanding of its nature, and they have an authoritarian government that can enact certain strictures that democratic governments cannot. But with that said, how else might we empower OAS to push back on these coercive practices that we have seen China utilize in exchange for vaccines?

Mr. ALMAGRO. First, we have an issue, and sometimes they have been asking why do you not do more about vaccines? And the thing is that we have the Pan-American Health Organization that is mainly in charge, and I think the most successful way is to deliver before. That is the most successful way in order to reverse those policies, and to be able to deliver before. That is—that they think should be the practice and that should be the policy behind.

Of course, sometimes it is harder because of the way that our regime can concentrate resources. Financial, economic, material resources is completely different than—in the way democracies—but democracies has proved to be more efficient in the in the mid and long term, but they have to see the scenario. Of course, everybody also is concerned about itself, and it has to be something like that. It is completely understandable. Nevertheless, to be concerned about and find solution for our self and for itself, anyone, and it is helpful to help others, and that, I think, is—should be the policy to—of the United States to the rest of continent related to this matter.

Senator YOUNG. Well, just for the record, I think it is wonderful that the Caribbean countries and Latin American countries are receiving vaccines. I think that is a very positive thing, and I would commend any nation for—in isolation for doing that, for ensuring their fellow human beings are vaccinated from this pandemic. That also helps all of us so that it does not continue to spread and evolve into other strains. It is this conditionality that I think each of us has sort of a responsibility to talk about so that the nature of these authoritarian regimes is made very, very clear. Thank you.

Mr. ALMAGRO. Thank you.

The CHAIRMAN. Thank you.

Mr. ALMAGRO. These questions should not be possible. That is the most important part. We should make it possible. We should make it available, and that is what—how we should act in order to avoid this, and then to give support afterwards in order to avoid any kind of this kind of questions. But you also have to consider that China is the main trade partner of most of Latin American countries. They have relations or not—or they do not have relations with continental China, and that is an assumption that, of course, need to be—needs to be addressed. We need better trade among ourselves, and that is something that we will have to work in the—in the future. And I think that—I hope the Organization can encourage some actions related to have a stronger inter-trade in the—in the Americas.

Senator YOUNG. I support that. Thank you.

The CHAIRMAN. Thank you. Thank you very much. I do want to piggyback on Senator Young's comments. Of course we have to take care of our people in order to be healthy and, therefore, be able to lead. But I do agree that, to the extent that we have capacity when we get beyond that, I would hope that the hemisphere will be one of the first places that we will look towards in our own national interest, to be very honest with you, not only as a good neighbor, but, because we are neighbors, we are more likely to have individuals traveling within the hemisphere, you know, within our country and beyond. The many millions of diaspora that exist in the United States from these separate countries just creates a natural

flow of people coming back and forth. And I think it is right to call China out on its course of policies on this, which is the most heinous of all, trading and say I will give you a vaccine if you do this, but they have other course of policies that they do in terms of their investments.

By the same token if you are suffering and you are looking for something, and you have got nowhere else to go, then you maybe submit yourself to those course of policies, as wrong as they are. And so that is why I hope the United States will get to the point to be supportive, particularly here hemispherically. I think there are many reasons for it. With that, let me recognize the chairman of the Western Hemisphere Subcommittee, someone who has had a long history and been very interested in the hemisphere, Senator Kaine. And I am going to ask Senator Cardin to preside because I have a Banking hearing that I just need to get a few questions in. I will be back. Thank you, Mr. Secretary.

Senator KAINE. Thank you to Chairman Menendez and Senator Risch for holding this hearing, very important hearing. I am thrilled to be the chair, together with my ranking member, Senator Rubio, on the Committee on Western Hemisphere, Human Rights, Global Democracies, and Women's Empowerment. And, Mr. Secretary General, I am a big fan of yours. I really want to focus on how we can help the OAS to be effective, and I am going to use a painful example for me, which is activities of the OAS, and United States, and Honduras where I lived in 1980 and 1981.

In the 2017 presidential elections in Honduras, there were huge irregularities. We want the OAS to be strong and be willing to call out problems throughout the region. We celebrate what the OAS has been willing to do, for example with respect to Venezuela. But after the Honduran presidential election, the OAS called out the irregularities and said they were so severe, that the recommendation from the OAS was that the election needed to be repeated so that those irregularities could be cured.

The United States wants the OAS to be strong, but in that instance, the previous Administration undercut the OAS. The OAS said the elections need to be rerun. I and other members of the committee came out in support of the OAS position, but the previous Administration said, no, we are going to go ahead and recognize the new government anyway. And they recognized the reelection of President Hernandez because he had done a variety of things that the Administration liked.

After we recognized the reelection over the recommendation of the OAS, President Hernandez terminated a transparency initiative that was a global transparency initiative that he had embraced with some strong PR sense in his first term. Violence and corruption in Honduras spiraled downward. Immigration of Hondurans to the United States has increased because of the violence and corruption. And as members of this committee know, the President's brother—President Hernandez's brother was convicted of drug trafficking with a lot of evidence that implicated the president. And there was just the completion of a second sizeable drug trafficking case in the Federal courts of New York against an associate of President Hernandez, where there was much testimony about President Hernandez's role in facilitating drug trafficking, includ-

ing evidence that he had stated, “We are going to shove drugs up the gringos’ noses.” That was some of the evidence of this President that the U.S. chose to recognize over the OAS’ objections.

If we want the OAS to be strong, Mr. Secretary General, and we want the OAS to be able to take tough positions, it seems to me that the U.S. should be defaulting toward trying to support the OAS in that rather than undercutting the OAS’ tough decisions when they make them. Share with us how we as a Foreign Relations Committee in the Senate can help the OAS be strong in the region to counter corruption, violence, and other ills that plague us.

Mr. ALMAGRO. Thank you. Thank you very much, Senator Kaine. It is true we identified irregularities in the Honduras election. We made them public. We called for a new election. After 15 days—let us say, about 2 weeks later, we started the recognitions of the new government of the Government of Honduras, of the reelection of President Hernandez. So practically, we were left talking alone about this matter worldwide, and definitely that we paid a huge toll because after that, the mission of—to fight corruption was not renewed and, of course, we had to pick up our things. Some of them—

Senator KAINE. And, Mr. Secretary General, when you say “we paid a huge toll,” “we paid a huge price,” you mean the OAS paid a huge price. The Honduran people paid a great price. The United States paid a great price by, you know, not striking against an authoritarian, and now we are dealing with a crisis at the border that is driven by intense violence and corruption in a country. And so we are—if we do not act to support organizations like the OAS, we will end up seeing things that we are not happy with.

Mr. ALMAGRO. I agree with you because bad practices have to be eradicated from the very beginning, and the Honduras political system paid a huge price. The Honduras people paid a higher price. The Organization, of course, of all the prices that were paid was the lowest. We can say we just picked up our things and we left. Some of the resources—material resources we had, we are using now in El Salvador and the mission that we have there to fight corruption.

Senator KAINE. And, Mr. Secretary General, I am over my time, and there are other colleagues who want to weigh in, but just—let us just finish there. By not supporting the OAS at a critical moment when you were willing to show backbone, Hondurans paid a major price, the OAS paid a price, and the United States paid a price as well. I hope we might learn that lesson. Thank you.

Mr. ALMAGRO. Thank you.

Senator CARDIN [Presiding.] Senator Hagerty.

Senator HAGERTY. Mr. Chairman, Ranking Member Risch, thank you very much for holding this hearing. Secretary General, it is nice to have you here today. Thank you very much. Secretary General, in the Western Hemisphere, we have seen governments use illegitimate means to change or even nullify election rules and processes related to their democratic elections. The illegitimate Maduro regime in Venezuela is the most recent example of this type of activity. For example, in May of 2018, the illegitimate Maduro regime repeatedly changed, abused, and rewrote the rules in order to hold a sham election that failed to meet any sort of

international standard for fair, free, and transparent voting. And more recently, the illegitimate Maduro regime has sought to stack and manipulate in its own favor Venezuela's federal election commission.

Secretary General, would you agree with the general proposition that the voting public's confidence in free and fair elections, including impartial and transparent electoral processes, is necessary and critical to a well-functioning democracy?

Mr. ALMAGRO. I completely agree. It is—that is the starting point of democracy—

Senator HAGERTY. Indeed.

Mr. ALMAGRO. —for the people to be able to elect in a free way, transparent, just, and that the votes are counting—counted properly. That is all about—it is about the integrity of the electoral process. We have to see it from practically the very beginning, and we have to monitor practically every single aspect of it. Today, the challenges are big because technology is—keeps improving, and, of course, we have to keep track with technology. At the same time, we need to be able to read adequately the political system and how it works. We observe elections. We observe facts, and we denounce those facts, and we document them, and we prove them. And those countries that they want, we can help them in order to have a better electoral process like we are doing now in Haiti and in Honduras.

It is a hard work. Sometimes it is a very demanding work. The Venezuelan case is an extreme case because, I mean, elections there are not elections at all. They do not have any pattern that is common with any election anywhere. I mean, they do fraud among them. For example, there was this election of the National constituency—Constituent Assembly, and that was—the position was not participation. Nevertheless, they pumped 2 million votes in order to make one of the parties—one of the—one of [Speaking foreign language], one of [Speaking foreign language]. That means they cheat among themselves during the election, so that is the most extreme case that I have seen in the hemisphere so far.

Senator HAGERTY. Well, Secretary General, would you agree with the general proposition that a democracy risks fundamentally eroding itself when those in power change or negate election rules simply to stay in power?

Mr. ALMAGRO. I completely agree. I can sign below definitely.

[Laughter.]

Senator HAGERTY. I would agree with that, too, and we are witnessing it happening right here in America today, at least an attempt. Secretary, what do you hope that the members of the OAS will be able to accomplish in terms of helping the Venezuelan people find their way back to democracy?

Mr. ALMAGRO. I think, first, we need to attend the urgent matters. The urgent matter is the humanitarian crisis, and that means we need to find mechanisms and tools in order to support the people to have food and to have medicines. That is the most urgent matter related to Venezuela. About the institutional issues in Venezuela, I suggested today that we need a—we need a unified international agenda that can help to create real pressure on the regime and move under a mechanism that can definitely make harder for

Maduro to stay in power than to leave it. Until that—does not happen, the regime will stay there. This is—these kind of regimes, you definitely have to pump sustainable pressure. If not, they do not have any connection with political welfare of the people, I mean, and you can see it also with the Cuban regime, and you can see it in Venezuela.

They are not responsible for what is going on with the people. If people are dying because of lack of dialysis, they do not care. Children die because—they died because they do not have vaccination of diphtheria, and they do not care. Something that would bring down government—democratic governments anywhere, they do not care. They do illegal mining. They do drug trafficking. Their levels of corruptions are the highest ever, and they do not care. They have illegal mining. How would a dictatorship have illegal mining? Because they can approve whatever they want in order to do the mining in their own way. They do illegal mining because they can steal everything that they took from the mine because it can do—and a complete ecosite of the system.

And they—and they are not responsible. They are not responsible about their natural resources. They are not responsible about the mineral resources. They are not responsible for their people. That means they do not have a political connection. It is a criminal gang acting in a criminal way. Until they are not completely surrounded, they will not surrender.

Senator HAGERTY. Thank you, Secretary General.

Mr. ALMAGRO. Thank you.

Senator CARDIN. I think your response underscores the importance to deal with corruption and transparency that you have talked about before. Senator Schatz is recognized.

Senator SCHATZ. Thank you, Mr. Secretary General. Thank you for being here. I want to ask you about the war on drugs. Over the last several decades, we have struck a better balance in terms of our approach to combining security assistance with funding democracy programs, programs that strengthen the judiciary, law enforcement, and civil society. But the war on drugs, in my view, is still failing our partners in the region. We are making short-term decisions to get a good headline about seizing drugs without thinking through the consequences for the people. For instance, the U.S. Coast Guard is great at closing down maritime routes and interdicting drugs that come over the water, but we see increasingly that cartels have turned instead to overland routes, clearing forests to build remote airstrips and seizing land from indigenous tribes and local communities. Too often, this is done with impunity, and it shakes people's trust in the ability of the national and local governments to protect the lands.

So I have a basic question for you. Is the war on drugs working? Is the war on drugs working?

Mr. ALMAGRO. It is not working either in the sense that it is not delivering the results that we need in the hemisphere, and it is very easy to see. My whole budget—the whole budget of this Organization, not the money that we allocate to—for projects related to drug prevention or fighting organized crime or drug cartels, is less than \$80 million dollars. That is a joke in drug trafficking terms,

in financial drug trafficking terms, so we are definitely not well prepared at the multilateral level in order to do so.

We do projects. We encourage best practices. We help in order to develop better life in certain communities. We have been able in order to create better conditions for security in some communities, but overwhelmingly, it is—drug trafficking is affecting democracy. It is killing candidates. It is forcing candidates to resign. It is electing—sometimes there are mayors of their—sometimes they are heads of police. So it is a struggle where we are not achieving the results that we definitely owe the people to achieve.

Senator SCHATZ. Is it a question of our strategy being flawed, or is it a question of insufficient resources? Because it seems to me that our instinct in the Congress is always to throw more resources at interdiction, even though we have seen over the many, many years, with demand never really waning, supply finds a way north. And so I am wondering, because I want to get clear here. You talk about the lack of resources, and the worry I would have is that then Congress throws more resources at interdiction, which, again, allows us to stand next to a bunch of illegal product and claim victory when things get worse and worse in the region.

Mr. ALMAGRO. And maybe you are right. I have a view, and it is related to my own experience somewhat. I did in the past, in the days I was minister of foreign affairs of Uruguay, is you have to find a way to kidnap, that it is about the market now. That is the market rules. So, so far, the market will keep demanding, this will keep going on, and on the rest of the chain will put pressure on the rest of the chain. And we have to address how the market of drugs work in a more proper way, and to be able to kidnap part of that market with the better tools you make up, and consider the differences of the different drugs between them, and, of course, be able to support people in a—

That means a lot of things. It means security first and how to make a living, and that is the—are the biggest challenge for common people. And, of course, the lack of development of our country plays a major role in the problems of violence and collateral effects of the drugs that we are facing these days.

Senator SCHATZ. Thank you very much.

Mr. ALMAGRO. Thank you.

The CHAIRMAN. Thank you. I understand that—okay. My understanding is that there is no one on either side virtually, unless I hear differently. And in the absence of hearing anyone, Mr. Secretary General, thank you very much for your incredibly important insights, for your generous time here. You have the thanks of Senator Risch, myself, and the committee for your service in the hemisphere. Thank you for joining us.

As the Secretary departs, let me welcome to the committee Ms. Deborah Ullmer, who is the regional director for Latin America and the Caribbean at the National Democratic Institute, and Mr. Ryan Berg, a fellow at the American Enterprise Institute. Ms. Ullmer has more than 20 years of experience at NDI and previously served as NDI's country director in Nicaragua and then Honduras prior to assuming her current role. She has extensive experience managing democratic assistance and human rights programming across the region. As a fellow at AEI, Mr. Berg focuses on U.S. foreign policy,

national security, and development issues in Latin America and the Caribbean. He specializes in transnational organized crime and narcotics trafficking. Prior to AEI, he served at the World Bank.

Welcome to both of you. Thank you for your willingness to come share your insights. Your full statements will be included in the record. We would ask you to limit your opening remarks to around 5 minutes, and this way we can have a conversation. Ms. Ullmer, you are recognized.

**STATEMENT OF DEBORAH ULLMER, REGIONAL DIRECTOR
FOR LATIN AMERICA AND THE CARIBBEAN, NATIONAL
DEMOCRATIC INSTITUTE, WASHINGTON, DC**

Ms. ULLMER. Thank you, Chairman Menendez and Ranking Member Risch. Thank you for this opportunity to address the Senate Foreign Relations Committee on the State of Democracy in Latin America and the Caribbean. My name is Deborah Ullmer, and I am the regional director for Latin America and the Caribbean programs at the National Democratic Institute.

NDI is dedicated to strengthening democratic governance, practices, and institutions globally, and has worked in the region for nearly 35 years. Like our Republican counterpart, the International Republican Institute, NDI works with civic groups, government officials, legislators, and political parties across the political spectrum at the national and local levels on issues such as citizen security, election integrity, accountability and transparency, dialogue on political reform, and combating disinformation. Since the adoption of the Inter-American Democratic Charter almost 20 years ago, numerous challenges to democratic governments have emerged, including a rise in authoritarian leaders and an increased preference for populist leaders, challenges to electoral integrity by governments that bend the rules of the game in their favor and infuse political financing from narco-traffickers, and a prevalence of disinformation and illiberal influences.

Honorable members of the committee, as you know, we could spend hours talking about the democratic fragility in Latin America, so in the interest of time, I would like to propose five areas of bipartisan engagement to help strengthen democratic governance in the region.

First, the Ninth Summit of the Americas provides a great opportunity to revitalize the commitment to core democratic principles and respect for human rights as consecrated in the Democratic Charter. As the summit host, the United States can pursue resolutions that underscore the need to collectively safeguard human rights and free and fair elections, and promote transparency and accountability. Reaffirming these values and backing them with actions will be key as illiberal countries, such as Russia and China, seek to expand their negative economic, political, and security role in the hemisphere.

Second, in dealing with authoritarian regimes, the United States should use all of its available policy tools, including the implementation of the groundbreaking Corporate Transparency Act passed in 2020, to end corrupt actors' ability to hide stolen funds behind anonymous shell companies.

Third, as is often stated, elections are an essential building block, but insufficient condition for sustainable democracy. In NDI's experience, corrupt political dynamics are precursors to flawed elections and serve as catalysts for instability. Support for improved democratic governance in between elections is a necessary investment to promote a more stable environment.

Fourth, sustained U.S. democracy in Northern Central America is necessary to improve governance, transparency, and accountability, all essential elements for development and security goals to be advanced. But accountability initiatives can only succeed when there is both internal public and international support. The United States should provide strong backing to both reformers both inside and outside of government. I would also like to note that there is a strong desire by Central Americans for U.S. foreign policy to consider the whole region, including interlinked neighboring countries outside of the Northern Triangle.

Finally, authoritarian regimes are finding more sophisticated and illiberal uses of technologies to surveil, subvert, and control their citizens. A united effort among democracies has made some progress to ensure new technologies are used to support freedom and human rights. The United States should promote the integrity of the underlying information space so authentic communications underpin the legitimacy and resilience of democracy around the world.

Chairman Menendez, Ranking Member Risch, and members of the committee, thank you again for this opportunity to testify. I look forward to your questions.

[The prepared statement of Ms. Ullmer follows:]

Prepared Statement of Deborah Ullmer

Chairman Menendez, Ranking Member Risch and members of the Committee, thank you for this opportunity to address the Committee in this timely hearing on the "State of Democracy in Latin America and the Caribbean."

I have more than 20 years of experience managing a range of democracy assistance and human rights programs in the Latin America region, and have spent half of my career living and working in Guatemala, Guyana, Honduras and Nicaragua.

The organization I represent—the National Democratic Institute (NDI)—is dedicated to strengthening democratic governance, practices and institutions globally. NDI has worked in Latin America and the Caribbean for nearly 35 years, supported by several international assistance organizations, including the United States Agency for International Development, the National Endowment for Democracy, the State Department Bureau of Democracy, Human Rights and Labor, the Swedish International Development Assistance Agency, Global Affairs Canada, Open Society Foundation, Norwegian Ministry of Foreign Affairs and the Howard G. Buffett Foundation. Today, NDI has six national offices in Colombia, Ecuador, Guatemala, Haiti, Honduras and Mexico. We regularly engage other countries in regional programs on citizen security, election integrity, accountability and transparency, dialogue on political reform and combating disinformation. Our work with civic groups, government officials, legislators and political parties from all political persuasions, at national and local levels, exposes us daily to diverse perspectives, spanning senior political leaders to grassroots activists, and informs the observations that follow.

KEY TRENDS AND WAYS TO ADDRESS THEM

On September 11, 2021, the Organization of American States (OAS) will celebrate the 20th anniversary of the groundbreaking Inter-American Democratic Charter. Since the Charter's adoption, there have been numerous challenges to democratic governance—including a rise in authoritarian and populist leaders—questioned elections, democracy not delivering, entrenched corruption and a growing prevalence of misinformation and disinformation and illiberal influences. The severity of the COVID-19 pandemic compounded long-standing social and economic inequalities,

and magnified democratic and human rights challenges. Post-pandemic economic recovery and unequal vaccine rollout efforts may further fuel unrest in the region and open possibilities for more populism. Social mobilization in recent history has demonstrated that there is a popular outpouring on the need for change, but there is no consensus on what their future should look like. Additionally, the magnitude of migration movements due to crime, corruption, impunity, poverty, climate change and other vulnerabilities is creating humanitarian crises in the region.

DEMOCRACY BACKSLIDING

While Latin America continues to experience democratic backsliding, “the region remains the most democratic emerging region globally—scoring below only Western Europe and the United States,” according to the Economist’s¹ most recent survey of the state of democracy. This point underscores the continued potential the Western Hemisphere has for further advancing freedom, opportunity and prosperity; and deepening productive partnerships with the United States.

Nevertheless, in the last 15 years, the prospects for the consolidation of democratic governance have dimmed with the increase of authoritarian rule and leaders with populist tendencies. Today, in Latin America, three countries are rated by Freedom House’s Freedom in the World Report 2021² report as “Not Free,” including Cuba, Venezuela and Nicaragua, all places where NDI cannot open or has had to close its offices. NDI has observed the costs to human rights by governments that have used the COVID–19 pandemic to assert greater centralized authority through its offices globally.

At the outset of 2021, the Nicolás Maduro regime took control over the last remaining democratic institutions in Venezuela through legislative elections rejected by the international community as illegitimate. Maduro’s authoritarianism is responsible for the country’s descent into economic collapse. The regime-backed National Assembly is considering 33 bills to consolidate Maduro’s power by further curtailing freedom of expression, restricting international cooperation and establishing fewer economic controls that will allow regime cronies to operate more freely. The humanitarian crisis has also intensified in recent months in response to the destruction of essential services, shortage of gasoline, low wages and high cost of living all exacerbated by COVID–19. At least 5.5 million Venezuelans have fled to neighboring countries in Latin America; the United Nations estimates that the Venezuelan refugees’ population will swell to 8.1 million by the end of 2021. The regime repealed a law which required gubernatorial and municipal elections to be held on separate dates before the end of the year. This would allow the regime to hold a super-election in 23 states and 335 municipalities, further consolidating power at the local level. There are no easy or quick solutions to Venezuela’s crisis. *Still, in the long-term, the U.S. should continue to help Venezuelans create the conditions for a return to democracy through free, fair and credible elections.*

Nicaragua represents another “democracy deficit” in the region. Nicaragua’s on-going socio-political crisis began in April 2018 when widespread popular protests over social security reforms resulted in more than 325 deaths at the hands of the police and paramilitary according to numerous human rights reports, and in violent repression that continues today. In late 2020, Daniel Ortega’s regime approved a set of draconian laws that undermine fundamental freedoms and further erode the country’s rule of law. In October 2020, the OAS adopted a resolution³ calling on Nicaragua’s government to “fully respect the constitutional order, human rights, and fundamental freedoms, and hold free and fair elections,” planned for November 7, 2021. Democratic opposition political and civic groups seek to unify and contest the elections, representing the best chance for Nicaraguans to regain their freedoms and democracy. *It is essential that the United States press for minimum conditions for legitimate elections in Nicaragua, including the full participation of the democratic opposition without restrictions, transparency through national and international observers and accountability at all levels of the election process.*

While on-going government repression has obstructed democratic activists in Cuba, they continue to voice their aspirations for more liberties. Over the past several months, civic energy and the volume of peaceful protests is increasing around calls for freedoms. There is also growing public frustration with the Cuban Government over economic liberty and access to basic resources amid a deepening humanitarian crisis exacerbated by COVID–19. Recent peaceful protests by Cuban artists, journalists and civic activists calling for freedom of speech and artistic expression are the largest demonstrations on the island in the past 60 years. This initiative underscores Cubans’ demand to enjoy the same freedom and democratic rights as others throughout the hemisphere. In this respect, the Committee’s strong bipartisan approval of S. Res. 37 in support of the San Isidro Movement shines a key

spotlight on the human rights situation in Cuba and provides critical backing to Cuban activists. *As called for by NDI in the past, “the United States and other international actors should continue to press the Cuban government to abide by the Universal Declaration for Human Rights.”*⁴

A RISE IN POPULISM AND NEW AND UNRESOLVED ELECTORAL INTEGRITY ISSUES

An electoral supercycle will occur in the region this year against the backdrop of populations ravaged by the COVID-19 pandemic. Economic slowdown due to the pandemic and persistent criminal violence has negatively affected the quality of life and made it more difficult for governments to deliver on promises to improve citizens’ lives. As a result, “outsider” politics is in danger of rising as traditional political parties’ prestige in delivering on democracy has declined throughout the region.

Nonetheless, there are positive signs for the possibility of renewal. Chile, a long-standing democracy, will embark on one of the most complex election cycles in its recent history, providing an opportunity for the country to redefine its constitution and “forge a new social contract.”⁵ Protests in 2019 led to a constitutional referendum, which passed in October 2020 to replace the Pinochet-era constitution. Local and constituent assembly elections are due on April 10 and 11, and presidential and legislative elections in November. The assembly must elect an equal number of women and men, and 17 seats are reserved for indigenous peoples of 155 members; two-thirds majority must approve the constitution. Given ongoing interest in the region in constitutional reforms, Chile could once again serve as a model for the region.

Haiti also is planning a complex election cycle. Earlier this year, the Haitian Provisional Electoral Council announced plans to hold a constitutional referendum (June 27), first-round elections for President, Chamber of Deputies and Senate (September 26) and run-off and local government elections (November 21). In Haiti, as in the past, the need for overdue and pending elections continue to be flashpoints for conflict. Haitian-led dialogue will be key to find political common ground and a path forward for elections, including to restore the operations of the legislative branch and end presidential rule by decree.

According to the Economist,⁶ political risk is high given “trends in a rise in anti-incumbency sentiment and an increasing preference for populists.” Non-traditional political figures may win in the presidential elections in Ecuador and Peru (both on April 11). Run-off elections in Ecuador will take place between a young former cabinet member supported by former populist president Rafael Correa, and a conservative banker and two-time former presidential runner-up. In Peru, practically none of the candidates have close ties with the political parties that nominated them, nor are they traditional political figures. Candidates include a former goalkeeper of the Peruvian soccer team, an internationally recognized economist and a leftist leader from Cusco. NDI is working with the electoral authorities in both countries to organize presidential debates to help inform voters and promote accountability by the candidates. NDI is also supporting initiatives in both countries to increase women’s political participation, and help address violence against women in politics. Whoever is elected in either scenario is unlikely to have significant support from a new legislature, and will have to form alliances to effectively govern.

Thus far, elections in 2021 have been contentious. In February, El Salvador’s legislative elections ushered in an extraordinary margin of victory for President Nayib Bukele’s Nuevas Ideas party, giving the executive branch absolute control over the legislature. According to the Organization of American States’ election observation mission,⁷ the Salvadoran elections took place within a context of “polarization and confrontation between the President and traditional political parties and institutional figures in the country, including indications of mistrust in the electoral authority.” A pre-election mission report by the Inter-American Institute of Human Rights /Electoral Advisory and Promotion Center on the Mexican mid-term legislative elections⁸ (June) highlights similar tensions between the executive and the electoral authority. According to the report, “the tensions are on display via a debate on the elections budget, public questioning of the electoral authority, and the electoral regulation of the Mexican President’s regular morning press briefings, known as *mañaneras*.”

Elections will also take place against the backdrop of a “continued decline in citizen trust in elections,” according to the 2018/2019 USAID-supported Latin American Public Opinion Project (LAPOP)/Latinobarómetro study.⁹ In recent years, citizens in the region have questioned their elections, including presidential elections in Bolivia (2019), Ecuador (2017), Guyana (2020), Honduras (2017), Nicaragua (2011, 2016) and Venezuela (2017, 2018, 2020).

In Bolivia, the repercussions from the 2019 and 2020 elections continue to be evident in the deeply polarized country. President Luis Arce's Government recently jailed former interim president Jeanine Añez and two former cabinet members, and issued warrants for other former top officials for fomenting a "coup" against former President Evo Morales following the 2019 elections. The 2019 elections were annulled after protests broke out following allegations of election fraud, as confirmed by OAS observers. Arce's actions followed an amnesty for Morales' supporters accused of human rights violations by Añez. The "express" nature of the arrests undermines the rule of law. Some Bolivian analysts see the arrests as retribution for prosecution of Morales administration figures during President Añez' tenure. *The United States should support the United Nations and the OAS in calling for the respect of human rights and due process in Bolivia.*

As identified by NDI, several lingering challenges to electoral integrity¹⁰ in the hemisphere are of particular concern, including "efforts by political leaders to curtail the independence of electoral authorities and adjust established rules of the game in their favor, such as using courts to restrict political participation and infusions of political financing from narco-traffickers and other illegal sources."

In Honduras, the November 27 elections will occur in the context of incomplete electoral reform that had promised to deal with challenges to electoral integrity following contentious 2017 general elections that left at least 23 dead in post-electoral violence. On March 14, Honduras held primary elections for three of the 14 registered political parties. Candidates include officials accused of or indicted for corruption, misuse of funds and money-laundering for a drug cartel. Additionally, the names of the current and former presidents of the country have surfaced in a drug trafficking trial in the United States. A national dialogue facilitated by the United Nations in 2018 resulted in partial electoral changes. Reforms include new voter identification cards, a new electoral authority inclusive of former president Mel Zelaya's party and a new electoral court of justice, which lacks regulations for settling electoral disputes. National election observers are calling for legislative approval of complete reforms amid fears of a repeat of the 2017 election. NDI is currently working to develop bridges among a network of national election monitors, journalists, corruption watchdogs, the private sector and political parties with the electoral authority to prevent or mitigate the potential for election-related conflict and violence.

Election observers in cooperation with independent media and electoral authorities need to continue to develop techniques to respond more effectively to newer challenges to electoral integrity.¹¹ The challenges include the growing reach of disinformation spread through social media to advance political goals, and hacking for political espionage and even sabotage of electoral information systems. NDI has worked with civil society and electoral authorities in Colombia, Ecuador and Mexico to help identify, track and counter disinformation. NDI is also working with civic groups in El Salvador and Mexico to monitor online electoral and political violence against women candidates.

Support for democratic elections is both a matter of respect for sovereign people's political rights and a matter of regional and international peace and stability. The United States and the broader international community need to promote electoral integrity by building national capacities and supporting international election observation, which complements national actors' efforts. As called for by NDI, at least "three principles¹² need to be reinforced in all electoral assistance to ensure that elections can resolve the competition for office peacefully and accurately reflect the will of the people, including inclusiveness, transparency and accountability."

ENDEMIC CORRUPTION

The Northern Triangle countries of El Salvador, Guatemala and Honduras are combating chronic problems of widespread violence and crime, corrupt elites linked to criminal networks and impunity from the law by public officials. Together with the lack of economic opportunity, deep social inequality and the corrosive impact of unresponsive political institutions, these challenges help fuel migration and undermine democracy. The COVID-19 pandemic has further increased pressure on already fragile democratic institutions and underscored the need for transparency, oversight and safeguarding fundamental democratic rights.

In this respect, Northern Triangle countries have seen a surge in corruption allegations emerging from government pandemic spending.¹³ In Guatemala, social unrest broke out as Congress rushed through the 2021 national budget. The bill cut health care, education, malnutrition aid, the justice sector and the human rights ombudsman. Against the pandemic's backdrop and the destruction of hurricanes Iota and Eta, the demonstrations that ensued underscored pent-up rejection of gov-

ernment attempts to stall naming members of the Supreme and Appeals Courts, control the selection of the Constitutional Court and generally roll back anti-corruption efforts. Under popular pressure, Congress backtracked and did not forward the budget bill to the executive.

Similarly, Honduran courts dismissed a case against two dozen legislators connected to a vast corruption scheme to embezzle public funds for political ends, which was uncovered by the former OAS Mission to Support the Fight Against Corruption and Impunity in Honduras (MACCIH). Last year, President Juan Orlando Hernández did not renew MACCIH's mandate. In El Salvador, the Government has disregarded rulings from the Supreme Court over the constitutionality of COVID-19 quarantine policies and espoused anti-media rhetoric for reporting on corruption in government contracts. The legislative elections resulted in the President's party achieving a super majority in the Legislative Assembly, and ultimately allowing for the control of all selection processes for public officials, including judges to the high courts and national prosecutors central to the fight against corruption.

According to a Wilson Center report on U.S. foreign aid in Central America from 2014 to 2019,¹⁴ “the most important contributing factor to limited growth and social progress in the Northern Triangle is resistance to anti-corruption and good governance reforms by a small but powerful set of political and economic actors with a deep stake in maintaining the status quo.” In all three countries, NDI's reform-minded partners inside and outside of government have advocated for political and electoral reforms and, in some cases like in Guatemala, secured political backing for government and legislative action. Reform-minded legislators have sought to improve democratic governance, advance transparency initiatives and engage citizens on public priorities. In Honduras, an inter-party anti-corruption front, created to work on legislation to facilitate MACCIH's efforts, focuses on promoting legislative openness and shedding more light on the national budget and other key legislative actions. Additionally, an Anticorruption Coalition,¹⁵ made up of legislators, judges, youth activists and civil society activists are working together, in collaboration with some in the private sector, to drive change in Honduras.

Much more needs to be done to support all of these efforts. Ultimately, building strong democratic institutions and fighting corruption and impunity reduces incentives for migration. *Without U.S. action in the coming years to bring greater transparency and accountability to political institutions, other measures to improve governance in El Salvador, Guatemala and Honduras in line with broader U.S. policy goals are likely to fall short.*

GROWING INFLUENCE OF ILLIBERAL ACTORS

The deepening internal economic and social challenges facing many Latin American countries even before the COVID-19 pandemic create favorable circumstances for Russia and China to advance their interests. Since 2018, China¹⁶ has surpassed the United States to become the region's largest trading partner outside of Mexico. Most recently, China has used the ongoing COVID-19 pandemic to burnish its image in the region, donating over \$200 million of test kits, masks and other medical supplies,¹⁷ and issuing high-profile announcements of plans to distribute its Sinovac and Sinopharm vaccines¹⁸ to almost a dozen countries in the region. However, political and civic leaders and stakeholders in some countries are beginning to show an appreciation for the risks of uncritical Chinese engagement. In Ecuador, corruption scandals surrounding Chinese involvement in the Coca Codo Sinclair dam and the country's oil reserves have led to convictions of senior government officials. In Chile, a Chinese company's takeover of the electric utility spurred a bipartisan effort to restrict strategic acquisitions by state-owned foreign companies.

Russia is one of Venezuela's staunchest allies. The Russian government provides economic and military support, allowing Moscow a useful platform to expand its influence in the region. Cuba is also a primary supporter of the Maduro regime. Like China, Cuba is exploiting the COVID-19 pandemic to reinvigorate its medical outreach in the region. In Nicaragua, the Russian Government provides tanks, weapons and troops, and has built a joint counter narcotics training center,¹⁹ attempting to mirror similar United States training support in Central America.

NDI is working to build regional networks with the capacity to monitor investments and agreements, and detect irregularities and disrupt information manipulation. In Latin America, NDI has identified environmental and Indigenous networks that are promoting transparency and compliance with national laws. Democracy should deliver in favor of social and economic development, security and justice. *Programs that work with independent journalists, civil society watchdog groups and legislatures to raise awareness and shine light on harmful aspects of foreign influences in their countries and the region deserve increased support.*

OPPORTUNITIES FOR STRENGTHENING DEMOCRATIC GOVERNANCE

The region's importance to the United States is made clear daily by deep economic and cultural ties, and shared challenges ranging from climate change to drug-trafficking to migration that require close collaboration and cooperation to address. The United States should consider the following areas of engagement that can help strengthen democratic governance in Latin America and the Caribbean:

- The Ninth Summit of the Americas provides an opportunity to revitalize regional commitment to core democratic principles and respect for human rights as consecrated in the Inter-American Democratic Charter and unanimously adopted 20 years ago. As the summit host, the United States can pursue resolutions that underscore the need to collectively safeguard human rights and free and fair elections; and promote transparency and accountability. Reaffirming these values and backing with actions will be key as illiberal countries such as Russia and China seek to expand their negative economic, political and security role in the hemisphere.
- The United States and its like-minded international and regional allies and partners can help create enabling environments for the resolution of the multiple crises in Latin America. In dealing with authoritarian regimes, the United States should use all of its available policy tools, including implementation of the groundbreaking Corporate Transparency Act passed in 2020, to end corrupt actors' ability to hide stolen funds behind anonymous shell corporations. In addition, U.S. policy in Venezuela and Nicaragua should continue to reinforce consensus agendas among opposition groups to achieve common goals.
- As is often stated, elections are an essential building block, but insufficient condition for sustainable democracy. In NDI's experience,²⁰ "corrupt political dynamics are precursors to flawed elections and serve as catalysts for instability." Therefore, U.S., international and regional engagement must not start or end on election day. Support for improved democratic governance in between elections is a necessary investment to promote a more stable environment that serves countries' interests in the region, and ultimately U.S. foreign policy and national security goals.
- Sustained U.S. democracy assistance in Northern Central America is necessary to improve governance, transparency and accountability, all essential elements for development and security goals to be advanced. Accountability initiatives can only succeed when there is both internal and external support. The United States should provide strong backing to reformers both inside and outside of government. Finally, Central Americans' strong desire is for U.S. foreign policy to consider the whole subregion, including inter-linked neighboring countries outside of the Northern Triangle.
- Authoritarian governments are finding more sophisticated and illiberal uses of technologies to surveil, subvert and control their citizens. A united effort among democracies has made some progress to ensure new technologies are used to support freedom and human rights. The United States should promote the integrity of the underlying information space²¹ so authentic communications underpin the legitimacy and resilience of democracies around the world.

Chairman Menendez, Ranking Member Risch, and members of the Committee, thank you again for the opportunity to testify and I look forward to your questions.

Notes

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- ³ <https://usoas.usmission.gov/general-assembly-adopts-resolution-on-nicaraguas-political-crisis/>
- ⁴ <https://www.ndi.org/publications/full-testimony-ndi-regional-director-latin-america-jim-swigert-hfac-western-hemisphere>
- ⁵ <https://www.economist.com/the-americas/2021/03/18/a-constitutional-convention-in-chile-could-forge-a-new-social-contract>
- ⁶ <https://onesite.eiu.com/campaigns/operational-risk-latin-america-2021/>
- ⁷ https://www.oas.org/en/media_center/press_release.asp?sCodigo=E-016/21
- ⁸ <https://centralectoralelectoral.ine.mx/2021/03/17/presentan-expertos-informe-de-la-mision-de-acompanamiento-internacional-del-proceso-electoral-federal-2020-2021/>
- ⁹ https://www.vanderbilt.edu/lapop/ab2018/AB2019_Release_DC_Final_10.15.19.pdf
- ¹⁰ <https://www.ndi.org/publications/full-testimony-ndi-regional-director-latin-america-jim-swigert-hfac-western-hemisphere>

¹¹ <https://www.ndi.org/publications/full-testimony-ndi-regional-director-latin-america-jim-swigert-hfac-western-hemisphere>

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¹⁴ <https://www.wilsoncenter.org/sites/default/files/media/uploads/documents/US%20Foreign%20Aid%20Central%20America.pdf>

¹⁵ <https://www.facebook.com/CoalicionAnticorrupcionHN/>

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¹⁹ https://www.southcom.mil/Portals/7/Documents/Posture%20Statements/SOUTHCOM%202021%20Posture%20Statement_FINAL.pdf?ver=qVZdqBYBi_-rPgtLzLzDkg%3d%3d

²⁰ <https://www.ndi.org/publications/full-testimony-ndi-regional-director-latin-america-jim-swigert-hfac-western-hemisphere>

²¹ <https://www.ndi.org/our-stories/infotegrity-ndi-s-approach-countering-disinformation>

The CHAIRMAN. Thank you very much. Mr. Berg.

STATEMENT OF RYAN C. BERG, PH.D., FELLOW, AMERICAN ENTERPRISE INSTITUTE, WASHINGTON, DC

Dr. BERG. Chairman Menendez, Ranking Member Risch, and members of the committee, thank you very much for the opportunity to testify today on the State of Democracy in Latin America and the Caribbean.

As the world approached the last decade of the Soviet Union's existence and the eventual denouement of the Cold War, it seemed an inauspicious moment for the fate of democracy in the region, with military regimes still running many countries. Instead, a remarkable phenomenon transpired in the region from the mid-1980s until the signing of the Inter-American Democratic Charter in 2001: the longest expansion and the deepest consolidation of democracy in the region's history. The Charter enshrined the region's commitment to democracy and attempted to impel still unconsolidated democratic institutions toward further consolidation. Alas, these high-minded aspirations proved elusive in practice.

The march toward a hemisphere safe for democracy was uneven and did not endure. Cuba resisted all change and continued as a communist dictatorship. Venezuela and Nicaragua succumbed to the ravages of authoritarianism. Argentina, Bolivia, Ecuador, and, more recently, Brazil and Mexico were taken by the siren song of populism. Central American states failed to build on early gains and eventually suffered deep democratic backsliding. And organized crime, many times aided and abetted by the highest echelons of political power, spread its tentacles of anti-democratic corruption throughout the region.

Two of the most notable trends of the past decade are the rise of hybrid regimes and authoritarian spoilers, both regional and extra-regional alike. Regionally, several countries, despite their democratic façade, are actually autocratic or authoritarian in nature. Scholars have described this hybrid regime type where democratic institutions exist in form, but not in substance, and where elections occur regularly and are largely stage-managed, as "competitive authoritarianism." In addition to hybrid regimes in the region, extra-regional authoritarian actors have also stymied democratization by supporting backsliding and authoritarian govern-

ments, and insulating them from democratic pressures through what we call authoritarian export and authoritarian learning.

Like a family recipe, extra-regional authoritarian powers have bequeathed to several Latin American countries, namely Venezuela and Nicaragua, their best advice in regime adaptation and survival. The Inter-American Democratic Charter and traditional foreign policy tools of democracies have unfortunately proven no match for the designs of these authoritarians.

In sum, the state of democracy in today's Latin America and the Caribbean may be limping instead of sprinting. Democracy may not shine as brightly as it once did, but it carries on, in desperate need of renewal and strengthening. Meanwhile, great power rivals are cheering democracy stumbles, actively working to thwart its success, and promoting alternative systems of governance antithetical to a hemisphere safe for democracy.

What are some of the lessons learned over the past two decades of the Inter-American Democratic Charter? First, the Charter has often failed to inspire a vision for the Hemisphere of integrated and increasingly prosperous democracies. Rather, at times it has avoided slipping into irrelevance only as a coercive tool in the attempt to bring wayward countries back into line. Second, elections by themselves are not enough. As others have noted here today, this year, Latin America witnesses an election super cycle with nine countries holding elections. While the Charter helped the region maintain an admirable focus on elections, this was insufficient. A prominent Nicaraguan struggling for freedom in his country recently remarked to me, "Fraud is not committed on the election day, but rather months in advance with manipulations of the tabulation system, voting boards, and national electoral councils."

Third, the Charter is subject to and suffers from unfavorable regional dynamics, and this has vitiated the Charter's ability to serve as a policing mechanism among a community of co-equal democracies. And fourth, leadership of the OAS matters immensely. Under past secretaries general, the Charter suffered notable defeats. Secretary General Luis Almagro deserves our high praise for elevating the Charter in the work of the Secretariat and reviving the Charter's relevance by placing it back at the center of the OSS' mission.

Mr. Chairman, with the brief remaining time, I would like to go through a few quick policy recommendations for the United States to forge a hemisphere safe for democracy and to defeat great power rivals pushing alternative antithetical systems of government.

First, dismantle transnational organized crime networks. No amount of rhetorical fondness for the Inter-American Democratic Charter can overcome the deeply-embedded networks that permeate the Western Hemisphere, emanating most startlingly from the criminal regimes in Venezuela, Nicaragua, and Cuba. Second, beware of the autocrats' playbook. Consolidated dictatorships are extremely difficult to dismantle, but, fortunately, the tools afforded to us by the Inter-American Democratic Charter can help the U.S. sound a powerful tocsin against Latin American regimes engaged in democratic backsliding before it is too late.

Third, bring ideology back to the fore. Quite simply, the only way the U.S. will compete and outpace China's and, to a lesser extent,

Russia's burgeoning influence in the region is with a more attractive vision for our shared hemisphere. We should not shy away from the fact that this is a competition over ideology as much as it is about influence. Shared principles are critical to forging robust coalitions, and, for the region, these shared principles and aspirations are anchored unequivocally in the Charter.

Fourth, leverage the International Development Finance Corporation and the Inter-American Development Bank. Recognizing the importance of the region, the U.S. Congress ought to consider a requirement that 35 percent of DFC lending be pegged to the Americas, as the bipartisan Advancing Competitiveness Transparency and Security in the America Act, ACTSA, does. If paired with a much-needed capital increase at the IDB, and with matched private financing, this could yield nearly a quarter of a trillion dollars over a 5-year period, which is some serious investment power to transform the region and limit China's One Belt One Road Initiative and its debilitating debt trap financing practices.

And lastly, Mr. Chairman, I think we need to reconsider the relationship between trade agreements and democracy efforts. The U.S. should reconsider its free trade agreements with countries considered "not free" by Freedom House. In the region, this means reconsidering Nicaragua's continued participation in CAFTA-DR. Quite simply, the U.S. has no interest in permitting free trade arrangements to bolster the security apparatuses of authoritarian regimes accused of committing crimes against humanity.

Thank you, Mr. Chairman, and I look forward to answering the committee's questions.

[The prepared statement of Dr. Berg follows:]

Prepared Statement of Ryan C. Berg, Ph.D.

Chairman Menendez, Ranking Member Risch, and members of the committee: thank you for the opportunity to testify on the state of democracy in Latin America and the Caribbean.

As the world approached the last decade of the Soviet Union's existence and the eventual denouement of the Cold War, it seemed an inauspicious moment for the fate of democracy in Latin America and the Caribbean. The moment felt un conducive for democratic flourishing, with military regimes still running many countries and economic and debt crises sending shock waves through societies.

Instead, a remarkable phenomenon transpired in the region from the mid-1980s until the signing of the Inter-American Democratic Charter in 2001: the longest expansion and the deepest consolidation of democracy in the region's history.¹ Aided by shifts in global power dynamics, the receding of the revolutionary left, the rapid expansion of market economies, and the availability of greater capital lending, democracy enjoyed a boom phase in Latin America and the Caribbean.² This progress was reflected in earlier statements, such as the 1985 Protocol of Cartagena de Indias, which spoke of representative democracy as an indispensable condition for the stability, peace, and development of Latin America and the Caribbean.

While the process of democratization in Latin America and the Caribbean was certainly not linear, by 1994, the number of countries with "free" designations according to Freedom House had nearly doubled. The number of "not free" countries in the region stood at just one: Cuba.³ In short, democracy had become the rule and not the exception in Latin America and the Caribbean.

This age for democratic growth in the region culminated in the signing of the Inter-American Democratic Charter on that fateful day of September 11, 2001, in Lima, Peru. The charter enshrined the region's commitment to democracy and attempted to impel the region's still unconsolidated democratic institutions toward further consolidation. Alas, the charter's high-minded aspirations proved elusive in practice.

The march toward a hemisphere of democracies did not endure. Cuba resisted all change and continued as a Communist dictatorship; Venezuela and Nicaragua suc-

cumbed to the ravishes of authoritarianism; Argentina, Bolivia, Ecuador, and more recently, Brazil and Mexico were taken by the siren song of populism; Central American states failed to build on early gains, missed critical moments, and eventually suffered democratic backsliding; and organized crime—many times aided and abetted by the highest echelons of political power—spread its tentacles of antidemocratic corruption throughout the region.

Determined campaigns to extirpate region-wide systemic corruption revealed a previously unfathomable extent of state rot, eviscerating established political parties and giving rise to outsider and fringe candidates straining the region's fragile democratic institutions. This concatenation of events has played out in the region's smallest democracies—Central America—and the region's largest democracies—Brazil and Mexico—alike.

In sum, the state of democracy in today's Latin America and the Caribbean may be limping instead of sprinting. Democracy may not shine as brightly as it once did, but it carries on in many parts of the region, in desperate need of renewal and strengthening. Meanwhile, great power rivals are cheering democracy's stumbles, actively working to thwart its success, and promoting alternative systems of governance antithetical to a hemisphere safe for democracy.

THE IMPORTANCE OF THE INTER-AMERICAN DEMOCRATIC CHARTER

The Inter-American Democratic Charter was a historic agreement that declared the “peoples of the Americas have a right to democracy and their governments have an obligation to promote and defend it.”⁴ It is binding on all signatories, committing them to promote and defend democracy as the only acceptable form of government in the Western Hemisphere. The charter relies on the organs of the Inter-American System to monitor democratic practices and enforce democratic principles in the region, documenting and potentially punishing violations.

The charter's immense value should not be underestimated. It continues as a major reference point that serves to promote a culture of democracy in Latin America and the Caribbean. The charter anchors democratic practices by furnishing a common standard by which to judge countries that have strayed and establishing a mechanism for punishing delinquent countries, including potential expulsion from the Organization of American States (OAS) and the Inter-American System. The charter also establishes a framework for the OAS's routine electoral observation missions in member states.

Over the past two decades, however, the charter has often failed to inspire a vision for a hemisphere of integrated and increasingly prosperous democracies; rather, at times it has avoided slipping into irrelevance only as a coercive tool in the occasional attempt to bring wayward countries back into line—Venezuela in 2002, Honduras in 2009, and Venezuela again in 2016.

THE RISE OF HYBRID REGIMES AND AUTHORITARIAN SPOILERS

Two of the most notable trends of the past decade in Latin America's democratic history are the rise of hybrid regimes and authoritarian spoilers—regional and extra-regional alike. Regionally, several countries, despite their democratic facade, are actually autocratic or authoritarian in nature. Scholars have described this hybrid regime type, where democratic institutions exist in form but not in substance and where elections occur regularly but are largely stage-managed, as “competitive authoritarianism.”⁵

Incumbents' use (and abuse) of the state often places them at a significant advantage vis-à-vis the opposition. In competitive authoritarian regimes, “democratic procedures are sufficiently meaningful for opposition groups to take them seriously as arenas through which to contest for power.”⁶ Yet, these regimes often abrogate basic principles of democracy, such as free and fair elections, the protection of basic civil liberties (e.g., freedom of the press and association), and an even electoral playing field (e.g., lack of independent media).

In addition to hybrid regimes in the region, extra-regional authoritarian actors have also stymied Latin America's democratization by supporting regional backsliders and authoritarians and insulating them from democratic pressures. For instance, in a geopolitical environment of intensifying rivalry, where Latin America has become an emerging flash point, extra-hemispheric actors and U.S. strategic competitors have opportunistically leveraged the bedlam in Venezuela, the repressive crackdown in Nicaragua, past authoritarian slides in Ecuador and Bolivia, and the debt-fueled descent of Argentina to enter the Western Hemisphere, sow chaos, set debt traps, destabilize the region, and even augment their power projection capabilities.

Authoritarian states have a deep interest in constructing a world safe for their ilk. In the aforementioned countries, China, Russia, Cuba, and others have moved to stymie democracy, shore up allies, and pass on knowledge in regime survival and election rigging. In many cases, these relationships have transformed from transactional bonds to blossoming strategic partnerships and even outright dependencies.

Several countries in the region have become prime examples of the phenomenon known as “authoritarian export” and “authoritarian learning,” whereby authoritarian leaders share best practices in regime survival and “adopt survival strategies based upon their prior successes and failures of other governments.”⁷ Like a family recipe, extra-regional authoritarian powers have bequeathed to several Latin American countries—namely, Venezuela and Nicaragua—their best advice in regime adaptation and survival.

The Inter-American Democratic Charter and the traditional foreign policy tools of democracies have proved no match for the designs of authoritarians.

THE “BOLIVARIAN JOINT CRIMINAL ENTERPRISE” IS WORKING TO THWART DEMOCRACY

Venezuela’s rapid descent into authoritarianism was fortified by the construction of a multibillion-dollar network of corruption weaving threads throughout the region with sympathetic political leaders, economic elites, and criminal organizations. The sinews of resilience for the Hugo Chávez and now Nicolás Maduro regimes have been a sprawling network of corruption undertaken with the patina of economic development and regional solidarity. One analyst dubs this network the “Bolivarian Joint Criminal Enterprise,” which holds a vice-like grip on the region’s democratic progress.⁸

Although in many instances, the Venezuelan regime spread these tentacles years ago, they continue to hinder the region’s democratic performance. In El Salvador, for example, President Nayib Bukele has been accused of “enduring ties to transnational criminal structures” emanating from the Venezuelan criminal empire and encompassing some of the most worrying criminal actors in the region. Literally billions of dollars have disappeared from Alba Petróleos, operating as a Salvadoran subsidiary of Venezuela’s state-run oil monopoly, Petróleos de Venezuela, S.A.⁹ Much of this money has made its way into political campaigns, providing illicit financing and melding criminal activity with democratic politics in El Salvador.

LESSONS LEARNED OVER NEARLY TWO DECADES

Elections by Themselves Are Not Enough. While the Charter helped the region maintain an admirable focus on one of the most important components of democracy—elections—they alone are insufficient to protect and consolidate democracy. The rise of “competitive authoritarian” regimes means that democracy promotion efforts in Latin America and the Caribbean must focus on the often highly technical aspects of democracy, such as the composition of national electoral commissions, the development and finance of political parties, and the media landscape in relation to electoral competition.

The Charter Is Subject to and Suffers from Unfavorable Regional Dynamics. The charter often fails to bare its teeth because it is dependent on not only regional dynamics but also the cooperation of the country in question. This has vitiated the Inter-American Democratic Charter’s ability to serve as a policing mechanism among a community of coequal democracies. Further, regional dynamics have prevented the threat of expulsion from the OAS as the ultimate cudgel in earning concessions for freer and fairer elections, most notably in Nicaragua.

OAS Leadership Matters Greatly. The charter’s provisions are only as good as the OAS’s leadership. Under the leadership of Secretary General José Miguel Insulza, the charter suffered some notable defeats, such as the 2009 vote to readmit Cuba back into the OAS in contravention of the charter’s provisions. (Cuba ultimately declined to rejoin to OAS, but the damage had already been done to the binding spirit of the charter as a serious push for democracy.) Secretary General Luis Almagro deserves praise for elevating the Inter-American Democratic Charter in the work of the secretariat and reviving the charter’s relevance by placing it back at the center of the OAS’s mission.

POLICY RECOMMENDATIONS

To forge a hemisphere safe for democracy and defeat great-power rivals pushing alternative, antithetical systems of government, the U.S. should pursue the following policies.

Dismantle Transnational Organized Crime Networks. The U.S. must continue its efforts to dismantle transnational organized crime networks—both non-state groups and state-sponsored groups alike—that limit the ability to promote and consolidate

democracy in Latin America and the Caribbean. After all, no amount of rhetorical fondness for the Inter-American Democratic Charter can overcome the deeply embedded networks that permeate the Western Hemisphere, emanating most startlingly from the criminal regimes in Venezuela, Nicaragua, and Cuba. These links are global in nature, however, coursing through the entire hemisphere, undermining democracy, and vitiating the rule of law.

The U.S. must continue to engage in the work of dismantling transnational organized crime with greater urgency than ever before—technical training and standards enforcement, anti-money laundering work, and bilateral security assistance, to name but a few policies. In other cases, the U.S. should aggressively use the Global Magnitsky Act to sanction corrupt officials involved in human rights abuses and freeze their assets. Recent legislation, the so-called “Engel List,” provides another avenue to deny visas and name and shame corrupt individuals involved in transnational criminal networks.¹⁰

Beware the “Autocrat’s Playbook.” As the struggle for democracy in Venezuela and Nicaragua demonstrates, it is nearly impossible to dismantle a dictatorship once consolidated. The tools provided by the Inter-American Democratic Charter can help the U.S. sound a powerful tocsin against Latin American regimes engaged in democratic backsliding—which suffer significant ruptures in their democratic order—before it is too late. Indeed, while the charter may shine most brightly on Venezuela, Nicaragua, and Cuba—precisely where its principles are most lacking—the spotlight should highlight countries beyond the so-called Troika of Tyranny as well.

There is a well-worn playbook on the road to democratic ruin that includes manipulating the media landscape, corrupting judicial independence and packing the judiciary, reengineering elections, suffocating civil society, bringing the private sector to heel, spawning pro-government organizations, and even organizing ersatz political parties. In this playbook, the coup de grâce is a systematic destruction of political opposition and the empowerment of pro-government paramilitary groups. The charter can help Latin America and the Caribbean construct and anchor the antithesis of the autocrat’s playbook—the “democrat’s playbook.”¹¹

Prepare Now for the Post-Pandemic Environment. Many of the long-term challenges that predate the pandemic in Latin America and the Caribbean—systemic corruption, poor institutional design, weak governance, and the lack of democratic principles and practices—have again come to the fore during the pandemic and will continue long after the pandemic has subsided. However, the great-power rivalry now encompassing Latin America and the Caribbean makes addressing these challenges all the more urgent.

The case for greater U.S. engagement with Latin America and the Caribbean as it exits the pandemic and looks to its shared neighborhood has never been stronger. For too long, the region has suffered from the same American shortsightedness: lack of time, attention, and resources. There has never been a better time to show Latin America and the Caribbean that the U.S. takes the idea of a shared neighborhood of prospering democracies seriously.

Bring Ideology back to the Fore. Quite simply, the only way the U.S. will compete and outpace China’s burgeoning influence in Latin America and the Caribbean is with a more attractive vision for our shared hemisphere. We should not shy away from the fact that this is a competition over ideology as much as it is about military influence. The U.S. must afford countries not directly threatened by China’s military a strong reason to care by emphasizing the shared political values with its neighbors and partners in the region.

In a recent article for *Foreign Affairs*, two China scholars reflect on how the Cold War “was a struggle to ensure that the world reflected the norms and values of a democratic coalition rather than its authoritarian rivals. For similar reasons, shared principles are critical to forging robust international coalitions today.”¹² For the region, these shared principles and aspirations are anchored unequivocally in the Inter-American Democratic Charter. There is the potential for the charter to fulfill the promise it has thus far failed to fulfill—that is, to serve as a positive and inspirational document committing the hemisphere to become a bastion of democracy.

Leverage the International Development Finance Corporation (DFC) and the Inter-American Development Bank (IDB). The U.S. should take advantage of both the DFC and the IDB to push back on China’s (and to a lesser extent, Russia’s) steady gains in Latin America and the Caribbean over the past decade. Recognizing the importance of Latin America and the Caribbean, the U.S. Congress ought to consider a requirement that 35 percent of DFC lending be pegged to the Americas, as the bipartisan Advancing Competitiveness, Transparency, and Security in the Americas Act (ACTSA) does. The U.S. should pair this requirement with a push for a much-needed capital increase at the IDB.¹³ Under the right set of incentives and lending requirements, the DFC, the IDB, and matching private financing could

bring nearly a quarter of a trillion dollars over a 5-year period to the table—some serious development assistance and investment firepower in the region. Such a combination would reduce the strategic vacuum for China to expand its One Belt, One Road Initiative and engage in debilitating debt-trap financing, with all its attendant consequences for democracy. However, executing this strategy properly will require those who harbor misgivings about the election for the IDB presidency to be forward-looking and see the IDB president as the potential ally that he is.

Prioritize Governance. Governance deficits abounded throughout Latin America and the Caribbean prior to the pandemic. The COVID-19 pandemic has laid bare governance deficits in an even more apparent way. In part, poor governance explains the shockingly low levels of satisfaction with democracy in the region and provides critical openings for criminal groups and U.S. strategic rivals. Of course, the U.S. should also prioritize economic development and security assistance, but often governance has been an underemphasized facet of U.S. assistance to the region.¹⁴

The rule of law and the ability of governments to provide the most basic of services should be fundamental goals of U.S. assistance to most countries in Latin America and the Caribbean. In this, the U.S. must partner with civil society and local actors crucial to these efforts. The U.S. can even provide technical support where local political actors are open to receiving it.

Reconsider the Relationship Between Trade Agreements and Democracy Promotion. The U.S. should reconsider its free trade arrangements with countries considered “not free” by Freedom House’s annual Freedom in the World Index. In the Western Hemisphere, this means reconsidering Nicaragua’s continued participation in the Dominican Republic-Central America FTA, especially given the prospects that free trade agreements may have contributed to grave human rights abuses at the hands of a security apparatus accused by the Interdisciplinary Group of Experts, a working group of the OAS, of “crimes against humanity.”¹⁵ Trade agreements provide significant leverage to earn concessions from authoritarian leaders and backsliding democracies alike. Quite simply, the U.S. has no interest in permitting its free trade agreements to bolster the security apparatuses of authoritarian states and backsliding democracies contributing to gross human rights violations.

Notes

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¹⁵Grupo Interdisciplinario de Expertos Independientes, "Informe Sobre los Hechos de Violencia Ocurridos entre el 18 de Abril y el 30 de Mayo 2018," December 2018, http://gieinicaragua.org/giei-content/uploads/2018/12/GIEI_INFORME_DIGITAL.pdf; and Ryan C. Berg, *Restoring Democracy in Nicaragua: Escalating Efforts Against the Ortega-Murillo Regime*, American Enterprise Institute, July 28, 2020, <https://www.aei.org/research-products/report/restoring-democracy-in-nicaragua-escalating-efforts-against-the-ortega-murillo-regime/>.

The CHAIRMAN. Thank you both for your testimony. I appreciate it. There are some good insights there. I certainly am a big supporter of—capitalizing up the IDB, I think, can be a tremendous instrument in the hemisphere to both promote our collective interest and, of course, as a counterweight to China.

I have one generic question and then I have some country-specific questions. Ms. Ullmer—well, for both of you actually. So we are going to host a summit of the Americas. Who gets invited? I think it is important because, you know, who is seated at the table in the first instance? There those who might argue it is a summit of the Americas, so everybody in the Americas gets invited. By the same token, there are those who would argue, well, the Inter-American Democratic Charter, those who abide by it get invited, and those who do not understand that they need to achieve that goal. There are other conditions others may suggest. What are both of your views?

Ms. ULLMER. Thank you for the question. I would say it is important as the host of the summit that independent civil society organizations form part of this invitation. Too many times, organizations, such as the Cuban independent civil society, are clamoring to participate in multilateral forums. It is important that we show our support to these groups and that they are part of the agenda, as they have been in the past in Panama, and Peru, and other places. So in terms of who gets invited, I would say it is important to include independent civil society because they serve as a check on their own governments.

The CHAIRMAN. Mm-hmm.

Dr. BERG. Thank you for the question, Senator. I think it is extremely important, as Ms. Ullmer mentioned in her oral statement, that we go big when it comes to playing host of the summit. As the host, I think we have the ability to play a role in who gets invited and as to the—to the invite list. However, I think it gets pretty hairy when it comes to deciding who it is that ought to be on that invite list because I understand that even members of this committee would probably disagree as to who is and who is not abiding by the Charter. And so if the question is do we have the ability to play a role as to the invite list, I think the answer is unequivocally yes. Obviously, the devil is in the details there on who exactly is going to decide and by what metrics they are going to decide the invite list.

The CHAIRMAN. Well, it seems to me that what would be universal recognitions of significant violation of human rights, dictatorships, and, you know, a series of other elements that certainly do not live up to the Democratic Charter, because if everybody can come to the meeting and at the end of the day not live up to the obligations, well, you know, there is not any association, any membership, any organization. You cannot be part of NATO unless you

meet certain standards, right? So I would hope we think about that as well. I appreciate the civil society elements.

Let me turn to some country-specific questions. This morning, the Foreign Relations Committee voted overwhelmingly to support my resolution expressing the Senate's support for Cuba's San Isidro Movement. Since November, a renewed wave of civic activists, artists, and others in Cuba have been calling for greater freedom of expression on the island. Not surprisingly, the Cuban regime has responded, as all authoritarian governments do, with harassment, persecution, physical attacks, and, in one case, the temporary suspension of internet service in the country to slow news of the protests. As the Cuban people demand a future of Padre Evita, it is long past time for the regime to make way for democratic aspirations of its own citizens. Ms. Ullmer, given your extensive experience working with democracy activists across the region, can you talk to us about the significance of the San Isidro Movement, its unprecedented advances, the regime's ongoing response, and how can the international community best support Cuban artists and activists clamoring for change?

Ms. ULLMER. Thank you. As you said, recent peaceful protests by Cuban artists, journalists, civic activists, calling for freedom of speech and cultural rights are the largest demonstrations on the island in the past 60 years. In this respect, the committee's strong bipartisan approval of the resolution in support of the San Isidro Movement shines a key spotlight on the human rights situation in Cuba, and provides critical backing to Cuban activists. The first great advancement of the San Isidro Movement was to prevent the implementation of Decree 349, which would severely limit artistic freedoms.

The San Isidro Movement has awakened the desire by Cubans to enjoy the same freedoms and democratic rights as others throughout the hemisphere, including those who traditionally are not involved in promoting human rights and freedoms, including religious organizations and even some artists that have been perceived as being closer to the regime. One way to support Cuban activists, as I just said, about the Summit of the Americas is to invite them to the Summit of the Americas and other multilateral forums, and call on the Cuban regime to ensure that they can participate without fear of reprisal. Thank you.

The CHAIRMAN. Thank you. Let me ask one final question. In November, Nicaragua will hold presidential elections. In recent months, the Ortega Government and its accomplices have passed a series of laws aimed at criminalizing political activity in the country and undermining prospects for a free, fair, and transparent election. Furthermore, continuous attacks against independent media outlets in the country and a wave of human rights abuses in the interior of the country show a regime intent on intimidating its citizens as an effort to predetermine the outcome in November. Tomorrow, I will lead new bipartisan legislation, the RENACER Act, in the Senate that will send a clear signal about the Ortega regime's corrupt and human rights violations and define a coordinated international strategy for advancing democratic elections in Nicaragua. Can you both speak to us about the closing political space in Nicaragua and what type of steps the international com-

munity needs to take to avoid the rise of a third dictatorship in the hemisphere?

Ms. ULLMER. Thank you. The Nicaragua legislation I am sure will be welcomed by many Nicaraguans. While Nicaragua's ongoing social and political crises started in April 2018, the closing of political space did not begin in 2018. It began in 2008 with the municipal elections that were documented as the most fraudulent elections in Nicaragua's history. So this has been going on for more than a decade. 2018, however, marked a dark turning point in Nicaragua's history. It resulted in more than 325 deaths at the hands of the police and paramilitary, according to numerous human rights reports.

The violent repression continues today. Daniel Ortega maintains his power through force, blackmail, and terror. This chain of repression begins in communities with the military, with the police, and paramilitary forces who monitor, harass, and persecute citizens as they identify opponents. It continues with a corrupt judiciary that fabricates evidence against political opponents, and imprisons them without due process. These actors have illegally enriched themselves with the protection of the regime. That is why it is important for the United States to trace their assets hidden in shell corporations and apply corresponding sanctions.

The United States should also support reformist social and political leaders who are genuinely committed to the recovery of democracy in their country, and who seek to unify and contest the elections which represent the best chance for Nicaraguans to regain their freedoms. It is essential that the United States press for minimum conditions for legitimate elections in Nicaragua, including, one, and the full participation of the democratic opposition without restrictions; two, transparency through national and international observers; and, three, accountability at all levels of the election process. Thank you.

The CHAIRMAN. Thank you.

Dr. BERG. Mr. Chairman?

The CHAIRMAN. Mr. Berg, do you have some comments?

Dr. BERG. Yes, Mr. Chairman. Thanks so much for the question on Nicaragua, and thank you for your leadership on this issue. I am extremely concerned about what I call the authoritarian architecture, which the Ortega regime is currently constructing. In the last several months, starting in about September or October of last year, we saw a cascade of legislation going through the National Assembly.

First it was the Foreign Agents Law meant to basically shut down civil society. I mentioned in my opening statement the concept of authoritarian export. That law looked very similar, almost a carbon copy, to the 2012 bill that the Russians passed under Vladimir Putin to shut down civil society in that country. There was a cyber law as well, which establishes a new standard of "offense" as a way of silencing and chilling speech in the country. And then there was also the opposition—the law against the democratic opposition in the country, which basically makes it illegal for members of Nicaraguan society, who have called for a sanctions and pressure on the Ortega Government, to run for and hold office in Nicaragua. All of these were paired with an increase in penalties

as well to include life sentences, and so the amount of pressure that the Ortega regime is wielding against the democratic opposition in the country is very immense.

I think, as I mentioned in my opening statement, the U.S. needs to reconsider CAFTA–DR, which I think is the ultimate cudgel in any sort of push to get free and fair elections there. I think as well we need to consider sanctioning the Nicaraguan military. We sanctioned the national police last year, but the military was also involved in some of the same human rights abuses for which the national police were sanctioned as well. There is a very lucrative investment fund that goes by the acronym IPSM—in which many of the high-level officials in the Nicaraguan military are involved. I know that some of the assets are exposed to the New York Stock Exchange and other elements of the United States financial system. We should go after those. If they are still exposed, we should consider seizing them or sanctioning them.

But when it comes to the democratic opposition, I think that we need to place an importance on a legitimate organizing process, primaries, a process out of which there will be consensus about the candidate to face Ortega and his wife, Rosario Murillo, because that is the lesson for me from the 1990 elections that saw the election of Violeta Chamorro was that there was a consensus that came out of a proper organizing process among the opposition.

The CHAIRMAN. Thank you. Senator Risch.

Senator RISCH. Thank you, Mr. Chairman. First of all, for you, Dr. Berg, last month, the Ortega regime proposed a measure to force Nicaraguan banks to do business with individuals facing economic sanctions. What impact does this have on Nicaragua's obligations under the Dominican Republic-Central America Free Trade Agreement?

Dr. BERG. Thank you for the question, Senator. You are referring to the so-called Consumer Protection Law, which essentially forces the 27 or so designated individuals on the OFAC list to be able to maintain a bank account within Nicaragua. And, of course, the danger here is that Nicaragua's entire banking system could be shut out of international markets and the ability of Nicaraguans to both send and receive money if their connections to those corresponding banks in the United States is cut off because of this Consumer Protection Law, which operates as a sort of blocking mechanism on U.S. sanctions. And so the consequences here are grave. We all know the importance of remittances for quite a few countries in Central America, and if that connection has to be severed to corresponding banks in the United States, it could create chaos within the Nicaraguan banking system.

Senator RISCH. Yeah, I think most of us are aware of the remittance issues you indicated, the huge part of the GDP that makes up those countries, and I am assuming that is going to cause some real difficulties in that regard. Is that a fair statement?

Dr. BERG. It would, Senator, yes.

Senator RISCH. Okay. Well, thank you. For both of you, I think you have touched on this, but if you could delve a little deeper maybe into what are the implications for the region and for the Hemisphere if Ortega fraudulently extends his time in office after

the November—by means of the November 2021 elections. What do you foresee there?

Dr. BERG. I'll take this one first, if it is okay with Ms. Ullmer. Look, I think that this is really the last chance that we have for something approaching free or freer and fairer elections in Nicaragua. Ms. Ullmer refers in her written statement to "democratic deficits" in Nicaragua. I would actually go a step further and say we are on the precipice of a consolidated dictatorship, as the Chairman indicated in some of his remarks, in Nicaragua. So this really is the last chance that we have for freer and fairer elections.

We have to get our policy right. Obviously, of course, the opposition needs to do its thing on the ground. It needs to organize. It needs to have consensus and unity around a single candidate, but we need to do our part to make sure that there is political space in the country. But I cannot emphasize enough, Senator that this, in my opinion, is really our chance—our last chance because a consolidated dictatorship, as I mentioned in my opening remarks, is extremely difficult to break down and rebuild a democracy out of that. And we are really on the precipice here in Nicaragua if we see another re-election of Daniel Ortega and his wife.

Senator RISCH. Yeah. Ms. Ullmer?

Ms. ULLMER. Thank you. I would agree with everything that Dr. Berg just said and add that the danger for the Hemisphere is also the increased illiberal influences that have already established themselves in Nicaragua. The Russians, as you know, have built counter-narcotics training and are rumored to have trained more than 500 officials in Central America. It mirrors U.S. training for counter-narcotics in the Northern Triangle. They also have satellites based in Nicaragua that are rumored to be spying on the opposition and who knows who else in the Hemisphere. I would say that is the real danger. Not only is it harder to roll it back as we have seen in Venezuela, but we have some real illiberal influences at our back door.

Senator RISCH. Thank you much. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Cardin.

Senator CARDIN. Let me thank both of our witnesses for your testimony, and you just underscored the point about our need to pay attention to good governance issues. You mentioned transparency. You mentioned some of the statutes that we have done in regards to money laundering. And when you look at our hemisphere and the challenges that we confront in our hemisphere, we have a greater tradition of democratic governments. But we are very much compromised by systemic corruption that exists in so many countries that call themselves democratic countries, and may have even elections that qualify as free and fair elections, but they are being challenged today because of the failure to confront corruption, which has led to drug trafficking, which has led to all the other issues that we are talking about today.

And, yes, you mentioned one issue in regards to money laundering, which I would agree with you. The statutes that we have tried to confront with shell corporations, very important, but we need to take a much more holistic approach. And that is why Senator Young and I introduced legislation that this committee acted on in the last Congress that did not get to the finish line, that

would establish a process to evaluate how well countries are on a path to dealing with corruption, in a way similar to how we evaluate trafficking in persons, using a similar mechanism, so that we have a common standard to put a spotlight on countries on what they need to do in order to make progress.

Now, the Biden administration is talking about major investments in our hemisphere. I support that, but those investments must be founded in our values, and President Biden has been strong about this. But one of those values needs to be to have a commitment—a political commitment of the leaders to deal with corruption, not to dismantle the anti-corruption mechanisms in your country, but to strengthen that, and to have an independent judiciary, and to have laws against laundering money, and to have anti-bribery statutes. All of that needs to be part of a commitment, and the United States must be in the leadership to put a focus on that.

So let me just get each of your comments as to how we can really showcase U.S. leadership that can allow us to show regional leadership with commitments to fight corruption.

Ms. ULLMER. If it is okay by Dr. Berg, I will take this one first then. In the Northern Triangle where we see entrenched elite corruption that is being enriched by networks of narco-traffickers, and human traffickers, we need to see the commitment of the leaders, but also actions. And while we have been working with governments in the past, we need to pay more attention to working with reformers both inside, but also outside of government. And the good news is that there have been reformist legislators, former attorney generals, and bodies that have been left and established by CICIG in Guatemala or MACCIH in Honduras. And there are those individuals who have been trained and have reform-minded values that can be supported going forward.

Civil society is also forming larger networks, both at the sub regional and national levels, to support one another. These networks include investigative journalists, civil society, and human rights and anti-corruption watchdogs. It is important that the United States show a commitment and support not only to the governments, but also to those reformists that are on the outside of the government trying to rescue their democracy from narco-traffickers.

Senator CARDIN. Dr. Berg?

Dr. BERG. Thank you for the question, Senator, and thank you as well for the legislation requiring open reporting on transparency, also a progress report on this very important issue. I love pieces of legislation that use some of the best tools of free societies to help other free societies.

I am just going to say it. We have some really difficult partners in the region, and as Ms. Ullmer mentioned, leadership is necessary, and if you do not have reformers on the ground, we are limited in what we are able to do. And one thing I want to mention here, which otherwise might not get mentioned, is that I am extremely concerned about Mexico, for example, and about the progress in that country when it comes to money laundering concerns.

The gulf between what the leadership of someone like Andres Manuel Lopez Obrador promised and what he is actually delivering, I think there is a delta between that. There is a big opportunity here for this Administration to push the AMLO administration towards its rhetorical goals, which is this fourth transformation, this final separation between economic and political power in Mexico, and how money laundering and corruption is intertwined there is extremely important. But there are incredible blind spots in this Administration that need to be pressured, I think, from the United States.

Another thing I would highlight is the prosecution of malefactors. We need to make sure that folks that are using, specifically, our financial system and also the financial systems of the region, face penalties. As was mentioned by the Secretary General previously, there is a very large amount of impunity in many countries throughout the region, many times above 90 percent. There are asymmetrical tools that we can bring to the fore as well. We have talked about sanctions and the activity of OFAC. There was also the Engel List that was passed late last year, which will be another tool for naming and shaming and blocking travel.

But this is incredibly technical work, as Ms. Ullmer mentioned. You have to work with attorneys general. You have to work with civil society on the ground. And it is not the big sort of visionary stuff. It is highly technical, but it is really, in many ways, what makes the difference for the quality of life and the quality of democracy in the region.

The CHAIRMAN. Thank you.

Senator CARDIN. Thank you.

The CHAIRMAN. Senator Kaine, and may I ask you, Senator Kaine, to close out our hearing? I have an immigration hearing—a meeting that I need to go to, so if you would do that.

Senator KAINE. Absolutely. Thank you.

The CHAIRMAN. You are the last member to be recognized, unless Senator Risch has more questions.

Senator RISCH. No, I am fine. Thank you.

The CHAIRMAN. Okay.

Senator KAINE. Great. Thank you to you all, and there is also a vote on floor, so you will see us race off.

The CHAIRMAN. Yes, Senator Kaine? Senator Kaine, I am sorry. I misspoke. I understand Senator Van Hollen is available virtually, so after you, if you would recognize him.

Senator KAINE. Oh, I will.

The CHAIRMAN. Thank you.

Senator KAINE. [Presiding.] I am going to just ask two questions, and I will let one of you tackle one and one of you tackle the other. So here are my two questions. One, what can we do to promote more press freedom in the region? The Reporters without Borders say that Mexico and Honduras are two of the top four nations in the world in the number of journalists killed, so we are not even talking censorship or imprisonment. We are talking the murder of journalists, and there are other nations in the hemisphere that have significant challenges as well. So what can we do from the vantage point of this committee or the Senate to promote press freedom in the region?

And the second, I will make a self-critical point, and it is this. This is my region of the world that I am most interested. I love being on this committee for that reason. But I find myself almost always talking about North America, Central America, South America, and seldom about the Caribbean, and I will just be self-critical about that. I do not really focus on Caribbean issues. Of course we have had many discussions about Cuba, but other than that, we do not do an awful lot in the committee about the Caribbean. And so maybe one of you could address what we could do to promote press freedom in the region, and the other maybe could address what are some opportunities that we might have on relationship building in the Caribbean.

Ms. ULLMER. Sure. So for press freedom, and the protection of journalists: I would say protection of all reform-minded persons working within government and outside of government is really number one to ensure that they are safe in what they are doing. That includes providing security training, providing cybersecurity training, and, unfortunately, sometimes protecting them as witnesses as they are trying to get their information out. Many times, the journalists will now pair up with international journalists on important corruption events to protect their lives, so that is important.

And another area to work on with press freedom is disinformation. As you know, there is a prevalence of disinformation. And so nowadays, NDI and other organizations like ours are working with electoral authorities and other government officials, with Facebook, with Microsoft, with Twitter, on how to detect disinformation and to combat it. Specifically, we have been dealing with disinformation against violence against women political candidates in countries like Colombia, Mexico, Ecuador, and El Salvador. So, I think those are important initiatives. Thank you, Senator.

Senator KAINE. Thank you, Ms. Ullmer. And on the Caribbean, what—how about some ideas?

Dr. BERG. Yes. Thank you, Senator, very much for the question on the Caribbean. I think this goes back to what I said in my opening statement about vision. Sometimes the Charter has failed to play that wider visionary role that we hoped it would play, and I hope that the United States Government and this Administration will think about the Caribbean as an integral part of this community because I agree with you 100 percent, Senator. I am someone who works on these issues every day, and I, too, oftentimes find myself neglecting the Caribbean.

I think there is an opportunity for us to roll out a Caribbean Basin type program, a serious engagement with the region. A capital infusion in DFC, and, rather, 35 percent requirement for DFC to lend to the Americas as well as the capital infusion in the Inter-American Development Bank could beef up our support and engagement in the region. But whenever I meet with members of the Caribbean diaspora and also Caribbean delegations here in Washington, there is a real thirst for U.S. engagement. I think they do feel that neglect that I mentioned as not being fully part of the region, which of course they absolutely are. And I am also—

Senator KAINE. And just parenthetically, then that can create challenges because when we go to Caribbean nations to talk about, hey, can you support us dealing with Venezuelan sanctions or something like that, if they feel like we have kind of left them out of a dialogue—and we are normally not paying attention to the Americas anyway, but if we pay even less attention the Caribbean, then when we go with an ask, I mean, it is a lot harder to get an answer that we like.

Dr. BERG. That is right, Senator. The last thing I was going to say is, I am very thankful that the Secretary General mentioned the Caribbean as our third border. I believe that is the language that he used about it, and I hope that the Administration will begin to think about vaccines as a critical form of our engagement. Again, this is not only a matter of soft power and influence, but it is also a matter of public health and public safety.

Senator KAINE. Thank you very much for both, and I now recognize by Senate Webex, Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Senator Kaine, and thank you to both our witnesses. And let me just start by saying I share the concerns that were raised and expressed about the situation in Venezuela, the situation in Nicaragua, with both those regimes. My question relates to the largest democracy in Latin America—Brazil—and some of the threats we have seen to democratic and independent institutions in the country from President Bolsonaro. And I wanted to see if you would comment on what you think about the stresses being placed on democracy in Brazil, and whether the United States should be doing something about it. Why do we not start with Ms. Ullmer?

Ms. ULLMER. Thank you, Senator. It is concerning what is happening in Brazil, and, particularly, the rhetoric. Brazil, as you know, represents one of the largest democracies in the hemisphere. The rule of law, protection of the environment with the Amazons, COVID-19, and restrictions that have been placed on the population and then lifted rapidly, and disinformation surrounding COVID in Brazil, are all concerning. Democracy is fragile in Latin America, and when you have the largest democracies backslide and their future looks grim, these are all very concerning trends. And the U.S. should probably focus more on helping look at issues of democratic governance in terms of the environment and others that affect the hemisphere and engage in that regard. Thank you.

Senator VAN HOLLEN. Thank you. Dr. Berg, do you share those concerns?

Dr. BERG. Thank you for the question about Brazil, Senator. I have watched as a Brazil expert and also a person who spent more than 2 years of my life living in the wonderful country of Brazil. I spent a lot of my time watching the country and paying attention to President Jair Bolsonaro and what he is doing. I think that there are, on some levels, threats to the democratic institutions in the country, but in my opening remarks I sketched out or adumbrated what I thought were consolidated democracies, backsliding and straining democracies, highly-imperfect democracies, and consolidated dictatorships in the region. And I will note that Brazil falls somewhere between the consolidated democracies and backsliding democracies.

But I, for one, think that Brazil has incredibly strong institutions, and I will point you to the anti-corruption investigation called Operation Lava Jato—Operation Car Wash in English—which actually led to or contributed quite a bit to the electoral environment which gave us a president like Jair Bolsonaro, as an example of the way in which institutions in Brazil are incredibly strong.

Compare that, for example, to Central America where there was an exogenous imposition of an anti-corruption body like the CICIG. Brazil was able to do this domestically with its institutions, a very wide-ranging anti-corruption probe which indicted more than 200 high-level individuals in the political sphere to trial for systemic corruption. So I think that there is an element to this where Brazil's institutions are quite strong, even if they are being strained.

In terms of our relationship with Brazil, I think we need to widen the aperture of our engagement. I think major non-NATO ally status, which was accorded to Brazil in 2019, is a major opportunity for us to engage on the defense cooperation level.

But if you are looking for areas of leverage, Senator, to be able to nudge the Bolsonaro administration into more democratic and productive directions, look, Brazil is always looking for affirmation of its status as an emerging power on the global scene. Right now, one of the most important goals for Brazil is OECD membership, and so that would be a critical space, I think, for the United States to exert some amount of leverage if it is so looking to do so with the Bolsonaro administration.

Senator VAN HOLLEN [Presiding.] I appreciate that suggestion, and I may follow up with you on it.

Thank you to both our witnesses. I think that concludes our hearing, and the record will be open until tomorrow, close of business, for questions for the record.

Thank you both, and the hearing is adjourned.

[Whereupon, at 12:02 p.m., the committee was adjourned.]