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October, 2008

# Canada's Engagement with Democracies in the Americas

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## CANADA'S ENGAGEMENT WITH DEMOCRACIES IN THE AMERICAS

MAXWELL A. CAMERON AND CATHERINE HECHT\*

### Introduction

Support for democracy in Latin America has been an explicit objective of Canadian foreign policy for at least two decades. Recent developments in the region suggest the need to review the assumptions underpinning Canadian policy, and to critically examine the current strategy of re-engagement. Our goal is to suggest ways in which Canada might contribute to new approaches to supporting democracy in the region, in particular by placing social inclusion more centrally on the policy agenda, especially in its participation in the inter-American system.

Canada's engagement with Latin America, in the past, has been predicated on three interrelated assumptions: that the region was becoming more democratic, that it had embraced open markets, and that, as a result, it was reasonable to expect a more cooperative and pragmatic tone in inter-American affairs. A review of the past two decades suggests that, although democracy remains the preferred system of government, many voters are dissatisfied with the performance of elected governments. The record of progress in reducing poverty and inequality has also been disappointing. Finally, the international politics of the region have become more fraught. In light of these trends, the 2007 proposal for Canadian "re-engagement" with the Americas by the Conservative government offered an opportunity to begin from more realistic premises. While it is unclear what a "third way" means in this context, we suggest that democracy support in the Americas should reflect several key lessons of the past two decades. In particular, we emphasize continued bilateral support and multilateral initiatives in response to requests expressed from the region; and for formal institutional mechanisms that ensure elections are meaningful expressions of the sovereignty of the people, that power is expressed in accordance with the rule of law, and that economic growth and social policies deliver equitable benefits in the diverse states of the Americas.

### Canadian Policy in the 1990s: Guiding Assumptions and Mixed Results

Canada's engagement with Latin America, beginning at the start of the 1990s, was based on three assumptions, each of which was explicitly articulated by Joe Clark, former Prime Minister and then-Secretary of State for External Affairs, when Canada joined the Organization of American States (OAS) (Cameron, 1991). First, Latin America was becoming overwhelmingly

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democratic. The democratic transitions of the 1980s brought competitive elections to every nation but Cuba, and donors in the 1990s often assumed that transitions from authoritarian rule would culminate in the consolidation of democratic regimes (Carothers, 2002).

Second, Latin America was embracing market reforms. Starting with the debt crisis in 1982, policy makers abandoned protectionist and statist policies in favour of liberalization, deregulation, and privatization. Trade agreements began to proliferate, underpinned by the new policy orientation known as the “Washington Consensus.”<sup>1</sup> Since many policy makers believed that the shifts to democracy and markets would be mutually reinforcing, a third assumption was made: that hemispheric affairs would be more cooperative and pragmatic. This last assumption was in tune with the liberal democratic triumphalism of the immediate post-Cold War era. The inter-American system offered a multilateral arena in which Canada could play a constructive role without becoming embroiled in historic conflicts between the United States and the nations in its putative backyard.

Spurred by optimism, and after overcoming initial reservations, Canadian policy makers entered free trade negotiations with Mexico in the framework of the North American Free Trade Agreement (NAFTA). The Free Trade Agreement of the Americas (FTAA) process (initially called the Enterprise for the Americas Initiative) was announced as an extension of the logic of NAFTA to encompass the entire Western Hemisphere. The goal was a single integrated market from Alaska to Argentina, and the hope was that this market would underpin thriving democracies. On the political track, Canada joined the Organization of American States in January 1990, helping to create, in the process, the Unit for the Promotion of Democracy. This unit, which is widely cited as a significant Canadian contribution within the organization, was proposed by Canada in 1990, and was well-received by OAS member states (McKenna, 1995: 147-148). Canada’s involvement signalled what would remain a foreign policy priority: multilateral support for democratic development in the Americas through the OAS.

In the years since Canada joined the OAS, the record of democratization, market reform, and hemispheric cooperation has been mixed. From the outset it was evident that the success or failure of electoral democracy and economic reform would depend not only on holding periodic elections and getting the economic policies “right,” but also on improving state capacity; and that in a region characterized by vast inequalities of wealth and power, with a long history of regime instability and cycles of economic boom and bust, economic reform and democracy might “flounder on the shoals of political disintegration unless policy-makers recognize that there is a task prior to economic growth – the creation of political order and efficient economic institutions” (Cameron, 1991: 120-121).

Although democratic regimes proved enduring in the face of major challenges to political order, there were also notable instances of backsliding and crises, particularly in Haiti, Peru, Guatemala, Paraguay, and Venezuela. A number of countries in the Andes experienced constitutional crises, including Bolivia and Ecuador. In the words of Joe Foweraker, Todd

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<sup>1</sup> For a discussion of Latin America’s experience with the Washington Consensus, see Eric Hershberg (2008) and Hershberg & Rosen (2006: 6-13).

Landman, and Neil Harvey (2003: 190): “Most of the democratic governments of Latin America are numbered among the least perfect polyarchies in the world. They are seen to be imperfect because their democratic performance is so uneven.”

The uneven performance of democracy has, on occasion, compelled Canada to play a role in responding to crisis situations and, when called upon, Canada has generally been a constructive participant. As the host of the 2000 OAS General Assembly (GA) in Windsor, for example, Canada played a role in bringing international pressure to bear on the Peruvian government following its failure to hold free and fair elections earlier that year. Afterwards, a High Level Mission to Peru led by Canadian Foreign Minister Lloyd Axworthy and OAS Secretary General Cesar Gaviria created dialogue round tables between the government and the opposition that facilitated an orderly transition to an interim government after President Fujimori’s resignation and flight (Cooper and Legler, 2006: 62-83).

Subsequently, as host of the 2001 Summit of the Americas in Quebec City, Canada was supportive of an initiative championed by Peru’s interim government, led by President Valentin Paniagua: to create the Inter-American Democratic Charter (IADC). Negotiated over the summer of 2001 and signed in Lima, Peru, on September 11, 2001, the IADC has provided a common understanding of representative democracy in the region and a reference point for Canada’s engagement on issues of democratic development. In particular, Article 3 of the IADC states that:

Essential elements of representative democracy include, *inter alia*, respect for human rights and fundamental freedoms, access to and the exercise of power in accordance with the rule of law, the holding of periodic, free, and fair elections based on secret balloting and universal suffrage as an expression of the sovereignty of the people, the pluralistic system of political parties and organizations, and the separation of powers and independence of the branches of government (OAS, 2001: 4).

The record of compliance with the IADC has, however, been mixed. While coups remain infrequent,<sup>2</sup> some democratically elected leaders (and opponents) in member states have not always abided by the principles of the IADC, and serious ongoing constitutional difficulties in the Andean sub-region have been met with either apparent indifference or ineffectual responses from the OAS. The hemispheric political will to enforce the IADC appears to be limited.

Turning to the record of market reforms, a similarly mixed picture emerges. Reforms have been undertaken with varying degrees of consistency and rigour, and there are few serious efforts to return to the protectionist and statist policies of the past when Latin America pursued import-substituting industrialization behind high tariff walls (1930s-1960s). Nevertheless, since the pro-market policies associated with the “Washington Consensus” were unconcerned with the

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<sup>2</sup> The events that come closest to conventional military coups in Latin America over the past two decades include the overthrow of President Jean-Bertrand Aristide in Haiti in 1991, the removal of Ecuadorian President Jamil Mahuad in 2000, both of which occurred before the IADC was signed, and the brief ouster of President Hugo Chávez of Venezuela in April 2002.

problem of inequality, and assumed that poverty would decline with growth, the record of improvements in reducing poverty and inequality in countries that have implemented these reforms has been, at best, uneven (Reygadas, 2006; Santiso, 2000; Hershberg, 2008).

Moreover, disappointment with weak economic and job growth, at least until the commodity boom of more recent years, has contributed to the rise of a spectrum of governments – ranging from radical nationalist to moderately left-of-centre socialists – that explicitly repudiate the Washington Consensus.<sup>3</sup> While it is unclear that left-wing governments have a well-articulated or coherent alternative economic model, by the late 1990s Latin American governments and the international community largely had moved away from the most austere development policies toward more accommodating approaches emphasizing good governance, strengthening democratic institutions, as well as education systems, health care and social safety nets (Santiso, 2000). To varying degrees in the region, governments have sought to restore greater emphasis on social inclusion and provision of basic public goods and services.

The emphasis on strengthening institutions reflects a growing recognition that weak institutions are a critical source of Latin America's underperformance in delivering equitable social outcomes. A substantial literature documents the importance of political institutions in shaping the way that market reforms are implemented and sustained.<sup>4</sup> At the same time, there is a wide range of institutions consistent with democratic governance, and the Americas have been a source of innovation in the design of democratic public institutions. Whereas the assumption that markets and democracy are mutually reinforcing is often based on an implicit modernization theory – that is, the view that market-led development will produce democratic reforms over time – the emphasis on strengthening institutions is justified by the view that it is unclear whether the causal connection between growth and democracy is endogenous or exogenous (Przeworski et al., 2000). In the absence of institutional strengthening, the beneficial effects of economic development for democracy may be limited, and democracy may tend to underperform as a mechanism for sharing and sustaining prosperity. There is little basis for assuming that institutional problems will spontaneously solve themselves in the process of market-led development.

Economic growth may generate shared prosperity in countries with robust public institutions, but is likely to be polarizing and destabilizing where these institutions are weak. The assumption that competitive elections and market reforms are mutually reinforcing, and that the synergy between them generates a dynamic of hemispheric cooperation, may hold true – but only for those countries that already have more or less robust institutions. For example, market

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<sup>3</sup> These include Hugo Chávez, elected in Venezuela in 1998, and re-elected in 2006; Ricardo Lagos, elected in Chile in 1999-2000, and replaced by Michelle Bachelet, elected in 2005; Brazilian Workers' Party leader Luiz Inacio "Lula" da Silva won in Brazil in 2002, and was re-elected in 2006; radical Peronist leader Nestor Kirchner, elected in Argentina in 2003, and replaced by his wife, Cristina Fernandez de Kirchner, elected in 2007; Tabaré Vázquez, elected on the Uruguayan Broad Front ticket in 2004; Evo Morales elected in Bolivia in 2005; Daniel Ortega elected in Nicaragua in 2006; Rafael Correa elected in Ecuador in 2007; and Fernando Lugo in Paraguay in 2008.

<sup>4</sup> Some valuable recent contributions to this extensive literature include: Teichman (2001); Corrales (2002); Eaton (2002); Wise (2003); Arce (2005); Levitsky & Murillo (2005).

reforms have proven politically sustainable in countries like Chile. Where institutions are weak, however, market reforms, especially when implemented in a heavy-handed manner, may have polarizing effects, contributing to disenchantment with democracy. As a result, the region has grown increasingly divided (rather than becoming integrated, in accordance with the original vision of the FTAA) between those countries with stable democracies and pro-market policies and less stable democracies experiencing a backlash against market reforms.

The cooperative mood in hemispheric relations of the early 1990s has given way to new tensions and conflicts, most visibly between the United States and Venezuela, but also within the region.<sup>5</sup> The competitive nature of the liberalization process has not created a stronger region – which was the hope of those who saw regionalism as a building block for multilateralism – but has instead divided the region into those countries that are willing to negotiate free trade agreements and those that are not. Canada’s trade strategy has responded to the erosion of regionalism: where once Canada sought to promote the FTAA as the overarching trade architecture for the Americas, it now seeks bilateral agreements with willing countries.

The idea of a unified market has all but disappeared from the hemispheric policy agenda, at least for the time being. To some extent, this shift has been underway for years. Canada is a pioneer of bilateralism in the Western Hemisphere: the Canada-Chile FTA, signed in 1997, was one of the first post-NAFTA bilateral trade agreements, signed at a time when the United States could not secure fast-track authority from Congress. At the sub-regional level, Canada has opted for bilateral agreements, choosing to negotiate with Peru and Colombia, for example, rather than with the Andes as a whole. The reason for this preference is clear: the Andean “community,” riddled with bilateral jealousies and conflicts, is not currently a coherent political bloc.<sup>6</sup>

On the political side, a pro-sovereignty atmosphere has eclipsed the earlier emphasis on building stronger democracies, a trend also observable beyond the Latin American region. Moreover, the war in Iraq has estranged Latin America from Washington. Indeed, negative perceptions of US foreign policy are among the driving forces in public opinion that help explain shifts to the left in the region (Arnold & Samuels, 2008). Yet, with a change in administration around the corner, Canada may have new opportunities to encourage Washington to contribute in creative ways to multilateral initiatives in the region.

The mixed results of democratization, market reform, and hemispheric cooperation place Canada in a difficult position. Severe bilateral tensions make it more difficult for Canada to play a constructive role in the hemisphere’s multilateral system, especially the OAS where tensions – like the recent conflicts between Venezuela and the United States – are often played out. In light of polarization in the Americas, it would be a mistake for Canadian policy to assume that economic liberalization and support for electoral democracy are sufficient to generate, over the long haul, a stable, prosperous, and democratic hemisphere.

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<sup>5</sup> These include tensions between Uruguay and Argentina over a pulp mill, and between Colombia and its neighbours, Venezuela and Ecuador, over a 2008 Colombian incursion into Ecuador in pursuit of FARC (*Fuerzas Armadas Revolucionarias de Colombia*, or Revolutionary Armed Forces of Colombia) rebels.

<sup>6</sup> Within the Caribbean, on the other hand, Canada is negotiating with CARICOM.

Suggesting an important shift in Canada's assessment of political and economic trends in the region, the government's response to the recent report of the Standing Committee on Foreign Affairs and Development, *Advancing Canada's Role in International Support for Democratic Development*, is worth citing at length:

Since Canada first developed policies in support of democratic development, the international environment has changed. Over the last decade, the growth in the number of democracies has leveled out. Evidence shows that many countries are sliding back to non-democratic forms of government. While progress is being made in some countries, in others democracy is up against very significant obstacles and its fragility is increasingly apparent. Economic development and good governance do not necessarily result in a transition to democracy. This Government will do more to focus on democracy support as a distinct area of policy and programming. Canada's democracy support will strengthen democratic processes that give citizens a greater say in the decisions that affect their lives with a focus on elections, parliaments, independent media, political parties and civil society (DFAIT, 2007: 5-6).

As this passage indicates, the Canadian government, at least in certain quarters, recognizes that there are threats to democracy that will not disappear as a natural result of economic development. It is important to reinforce this more realistic assessment behind Canada's engagement in the region. Canadian foreign policy objectives can be better achieved by placing greater emphasis on the democratic institutional mechanisms that make elections, markets and social policies work, especially by overcoming barriers to social inclusion that undermine both citizenship rights and the capacities of citizens to contribute productively to social, political, cultural, and economic life. Changes in Canadian foreign policy discourse suggest a growing acknowledgement of these problems, but the underlying assumptions often remain wedded to an implicit modernization theory.

### **The Current Strategy of “Re-Engagement” with the Region: A “Third Way”?**

Official statements over the past year have announced that Canada seeks to “re-engage” with the region. Outlining the overarching priorities of Canada's Americas strategy in Santiago de Chile in July 2007, Prime Minister Harper stated that Canada's engagement in the Americas will focus on: (1) strengthening and promoting freedom, democracy, human rights, and the rule of law; (2) building strong sustainable economies through trade and investment and expanding opportunities to all citizens; and (3) meeting security challenges, including environmental and health crises (Office of the Prime Minister of Canada, 17 July 2007: 4). How these objectives will serve as a guide to policy and official assistance to the region remains, however, to be further articulated.

The idea that Canada seeks to advance a “third way” between two perceived models of development was suggested by Prime Minister Harper in an interview with *Americas Quarterly*:

There is a perception in the region that there exist only two models for development, one that is focused on social justice, the other on economic

liberalization. Canada offers a different model, and illustrates that these are not mutually exclusive. We are an open society based on the values of freedom, democracy, human rights, and the rule of law. We have a strong economy that benefits from our close relationships with our trading partners. We are a proud and independent country with a unique and evolving cultural diversity (Stephen Harper, Interview, Fall 2007: 8).

Similarly, in reply to the Speech from the Throne, PM Harper asserted that in Latin America and the Caribbean: the “choice,” he said, “is not simply between unfettered capitalism and cold war socialism. The Canadian model of democratic freedom and economic openness, combined with effective regional and social support, offers a middle course for countries seeking democratic institutions, free markets and social equality” (Government of Canada, 17 October 2007).

One reading of these statements is that Canada is seeking to leverage its social democratic credentials to carve out a space for a distinctive voice in the hemisphere. However, at the level of market reforms, it is doubtful that Canada can or will offer an alternative to the economic policies advocated by Washington. Canada cannot alter the basic rules of the game of competitive liberalization, and is loath to cause tensions in the bilateral relationship with the United States. Therefore, there is always a significant risk that any Canadian policy toward the hemisphere, including efforts to support democracy, will be seen as part of an agenda set in Washington. One effective way to ensure that Canadian policy is (and is perceived to be) independent of the United States is to align Canada’s policies with those of other like-minded countries.

For example, there seems to be potential for greater rapprochement with European partners in the area of official development assistance (ODA), including support for democratic governance. In several areas, European aid priorities in Latin America overlap with the announced objectives of Canada’s Americas strategy. The European Union is the largest donor in Latin America (European Commission and member states combined), and the Commission’s aid in particular is targeted to social cohesion (reducing poverty and inequalities), regional integration and cooperation (with bloc-to-bloc negotiations), good governance and human rights, education, sustainable development, and biodiversity (European Commission, 2007). At the same time, there are significant variations in European states’ approaches to democracy assistance, as well as in their social models (Freres, 2007), to be taken into account when considering Canada’s partnerships.

Talk of a “third way” might imply that Canada seeks to support elements of social democracy in relations with states of the Americas, and this finds common ground with many European approaches. Especially in the policy area of ODA, much European assistance treats democratic governance as a causal force that contributes to social inclusion and development. This may be the case in particular when ODA is designed with an eye to overlapping international commitments such as the *Monterrey Consensus on Financing for Development* (UN, 2002); the *Paris Declaration on Aid Effectiveness* (OECD, 2005); and the *European Consensus on Development* (EU, 2005), which place priority on contributions to achieving the

Millennium Development Goals (MDGs). While the above UN and OECD commitments for ODA are also relevant for Canada's development policy, international pressures for donor harmonization appear especially salient in Europe due to the higher density of international institutions. In engagement with the Americas, Canada and the international community might continue to seek new synergies with the global support of 192 states (including all OAS members) to Section V of the UN Millennium Declaration, which outlines common commitments to safeguarding human rights, democracy, and good governance (see also House of Commons, 2007: 4).

Certainly, ODA and democracy support must be responsive to needs and requests from within partner states in order to be effective and welcomed. While there is a great diversity of perspectives in states of the Caribbean and Central and South America, one cannot overlook the significant number of citizens in the region who view economic development as more important than democracy, a figure UNDP cites at 56.3 percent in 2002 (2004: 131-3). The emphasis on governance as an independent variable for social inclusion and development is further reinforced by international financial institutions which do not have a mandate to support democracy explicitly. Combined with the less pro-democratic *Zeitgeist* than in the 1990s, Canada faces a challenge in promoting democracy as an end in its own right in the Americas.

Furthermore, since failure to coordinate democracy assistance policies broadly with other donors, partners, and multilateral institutions raises the danger that efforts will be seen as driven by narrow bilateral goals arising from the Canada-US relationship, it is reassuring to read in the government's response to the Standing Committee report that Canada does not intend to abandon the OAS as a key multilateral venue for supporting democracy:

Canada is particularly active in hemispheric efforts to promote democracy, exemplified by Canada's leadership and support to the Organization of American States (OAS) and its Inter-American Democratic Charter. The Democratic Charter is a milestone not only because it articulates the essential elements of democracy but also because it signals commitments of OAS member states to the collective promotion of democracy. In March of 2007, the Government of Canada announced a grant to boost OAS work in promoting electoral democracy to build on the notable achievements in the region (DFAIT, 2007: 4).

An ongoing commitment to work through multilateral institutions, however cumbersome and contradictory they may be, is important to ensure that Canadian policies are seen as part of a broad vision of developments in the hemisphere, and are in step with the priorities of partners in the Americas.

### **Democracy Support in an Evolving Inter-American System**

There are two major trends in the Western Hemisphere that Canadian foreign policy must inevitably confront. One is the growing pro-sovereignty mood that challenges perceived intentions for intervention in domestic affairs created by the Inter-American Democratic Charter. This suggests the need to avoid talking about the Charter as if it were a punitive instrument, and

to develop a more proactive and constructive set of practices around the Charter. The second trend is toward a greater emphasis on social inclusion in the policy priorities of the region, especially in response to shifts to the left among some of the most important countries of the region. There is a growing acceptance among policy makers in Latin America that extreme poverty and inequality, as well as patterns of discrimination and neglect, present major obstacles to full participation of citizens and to shared economic growth (UNDP, 2004).

In light of these trends, we argue for a set of assumptions that move beyond the implicit modernization theory that has underpinned Canadian policy in the past. Specifically, support for democracy should start with the realization that neither elections nor markets are likely to reliably or consistently generate socially desirable outcomes unless barriers to citizenship and to productive participation in social and economic life are addressed. To support this view, we first review key trends in the region over recent decades. We begin by noting that the challenge of democracy support in the inter-American system has shifted from averting coups to preventing more subtle erosions in the quality of democratic governance and encouraging institutional development.

Within the context of the OAS, the practice of democracy defence and promotion has evolved significantly in recent years (Cooper & Legler, 2006), and this process highlights the importance of a broad understanding of the deep challenges facing democracy in the region. Broadly speaking, there have been three stages in this process. In the first stage, the OAS unequivocally adopted the defence and promotion of democracy as a fundamental principle. In the 1970s and 1980s, the OAS played a marginal role in supporting the transitions to democracy in the hemisphere. Significantly, Resolution 1080, adopted in 1991, made democracy a condition of OAS membership. The analogy policy makers had in mind when contemplating risks to democracy as they adopted this resolution was the coup in Chile in 1973. While the threat of such events receded in the 1990s, other – more subtle – threats emerged.

In the second stage, the OAS had to grapple with more sophisticated and subtle threats to democracy. For example, a presidential self-coup occurred in Peru in 1992. Not a forceful overthrow of the democratic regime along the lines of events in Chile in 1973, the *autogolpe* involved the closure of congress by an elected president and the suspension of the constitution, leading to presidential rule by decree. It also involved a purge of the courts and reorganization of the judiciary to guarantee impunity for the executive and armed forces. In response, the OAS designed mechanisms to prevent democratically elected leaders from acting unconstitutionally to alter or interrupt the democratic order, short of military coups, by means of presidential self-coups or by otherwise violating democratic constitutions. These efforts culminated in the adoption of the Inter-American Democratic Charter in 2001.

We are now in a third stage in inter-American democracy assistance. While the IADC was clearly designed to incorporate lessons from the crisis in Peru and similar crises of the 1990s, it did not foresee the possibility that similar outcomes – the concentration of executive power, the erosion of checks and balances, the persistent violations of the rule of law – might occur within a more or less constitutional framework, or might even be given legitimacy by

constitutional change. Yet this is exactly what has occurred in a number of countries in Latin America. The proliferation of leaders promising a new constitutional order suggests a deep yearning for more just and inclusive political arrangements – however disproportionate the focus on achieving such results by means of constitutional change may be. In Venezuela, Bolivia, and Ecuador, constitutional reforms have been undertaken with the stated goal of enhancing participation and inclusion. Leaders in these countries have appealed to the constituent power of the people to choose the form of their own systems of government, a power that is enshrined in the very Charter of the OAS.<sup>7</sup> Critics reject constituent assemblies as thinly disguised efforts to impose new hegemonic orders by quasi-legal means.

The third stage in inter-American democracy support poses both analytical and political challenges. The analytical challenge is to go beyond a narrow definition of electoral democracy to include broader issues of the rule of law and social inclusion.<sup>8</sup> For some political scientists, any attempt to broaden the definition of democracy – even to include the rule of law, much less social inclusion – risks making the concept meaningless. If democracy is defined to encompass everything, it refers to nothing, and if substantive social outcomes are not secured for important segments of the population, this may contribute to citizens’ disillusionment with democratic regimes. Yet a narrow definition of democracy may fail to capture variation in the diversity of institutions and the quality of governance among democracies.<sup>9</sup>

Regrettably, contemporary democratic theory is ill suited to understand democracy where the rule of law is weak because so much of the corpus of contemporary democratic theory was written by authors who assumed the social and institutional conditions that pertain in established democracies (O’Donnell, 2001). Minimalist or proceduralist theorists of electoral democracy deliberately limit the definition of democracy to a set of conditions involving elections with only minimal reference to the broader institutional context in which elections can be expected to generate democratic governments.<sup>10</sup> Yet democracy assistance narrowly focused on elections presupposes that which it ought to “promote”: the conditions under which elections can serve as meaningful and effective mechanisms for the expression of the will of the people.

The advantage of a narrow electoral definition of democracy is that it is easy to draw the line between clear cases of democracy and dictatorship, and it is easier to mobilize the political will to enforce a rule that prohibits the forceful overthrow of a democratic government than it is to uphold the constitutional democratic order. Nevertheless, democracy without the rule of law is an oxymoron. Even the practice of international electoral observation, by which foreign

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<sup>7</sup> Article 3, of Chapter 2 of the OAS Charter states that “Every State has the right to choose, without external interference, its political, economic, and social system and to organize itself in the way best suited to it.”

<sup>8</sup> To be sure, issues of inclusion were part of the IADC, see articles 11 and 12.

<sup>9</sup> For an excellent discussion, see Munck (forthcoming).

<sup>10</sup> See, for example, Schumpeter (1942) and Dahl (1953).

observers monitor whether officials enforce domestic laws by holding free and fair elections, implicitly assumes that democratic states respect their own rule of law.<sup>11</sup>

Indeed, OAS officials routinely certify whether elections can be considered free and fair by international standards. Provided an election is held in accordance with domestic law, international observers can do little more than call attention to practices or institutions that might seem unfair or arbitrary. Yet they may, thereby, highlight instances of social exclusion and disenfranchisement, and the power of publicity should not be underestimated. For example, international observers may help bring to light possible gaps in citizens' access to electoral processes, in areas such as access to polling stations, inclusion on voting lists, and availability of ballots in minority languages. Although the international community cannot judge whether countries are in compliance with their own constitutions in matters beyond elections, it can help create a context that encourages and supports the rule of law.

Upholding the rule of law is a challenge in any democracy, and in none is the reconciliation of law and democracy ever complete. Supporting the rule of law is not the same as demanding law and order. It would be naïve to believe that the solution to the development of the rule of law lies solely in better enforcement of existing laws: the struggles over constitutional rules that we observe in parts of contemporary Latin America are struggles over what the law means and how it should apply in ethnically diverse and highly unequal societies. The same is true in countries like Canada, where tensions periodically erupt over legal issues like Aboriginal land claims, multicultural rights, and the status of Quebec within confederation. Latin American nations, with their turbulent histories of colonialism and ongoing challenges of state building, face a largely different set of challenges.<sup>12</sup>

No country, therefore, should presume to have solved the problem of the rule of law in a way that can be exported elsewhere, yet there are constitutional principles that deserve defence in any context, just as there are political, civil, social, and economic rights that nowhere should be abrogated with impunity. Fragile democracies tend to lack a consensus within civil society around constitutional essentials, and this enables constitutional reform processes that ride roughshod over basic principles of justice and right. The removal of elected members of congress by the president, violation of judicial independence, undue interference of the military in civilian affairs, or the disruption of the normal activities of political opposition, civil society, and the media, are violations of what the Inter-American Democratic Charter (Chapter 1, article 1) calls the right to democracy, even when undertaken by elected leaders with a popular mandate

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<sup>11</sup> Canada should not hesitate to turn the spotlight of international publicity inward and to allow members of the hemisphere to use the same standards we accept to support democracy to assess Canada's performance. International election observation should be a norm that encompasses all countries of the Western Hemisphere, including Canada and the United States.

<sup>12</sup> At the same time, Canada's experience enables it to participate constructively in dialogue with the Americas on aboriginal issues and multicultural rights.

– especially if the effect of such measures is to undermine the conditions necessary for the conduct of free and fair elections, the procedural core of any democratic regime.<sup>13</sup>

The political challenges posed by the third stage in inter-American democracy support concern whether the IADC may be used in more flexible, proactive, and non-punitive ways. The inter-American community should not wait for crises to erupt before drawing on the Democratic Charter to mobilize political will around positive, constructive solutions to underlying problems in upholding democratic rule of law. Support for democracy and the rule of law should be firm on basic principles, yet flexible about the practices and institutions through which they are actualized. Political and legal systems evolve under diverse conditions, and facilitating supportive social conditions may be as important as getting the institutions “right.”

For example, support for the democratic rule of law implies both encouragement for efforts to strengthen judicial independence, to uphold the separation of powers, and to guarantee civilian control of the armed forces, while simultaneously promoting the social conditions that make the rule of law part of the fabric of everyday life among all citizens: literacy and education; access to justice; health care; access to information and knowledge; housing; and other basic human needs. This, in turn, implies an investment in sustainable and robust public institutions. To support states of the Americas seeking to develop these institutions, given their resource constraints, Canada and the OAS can continue to work with partners in the UN, development banks, domestic NGOs, the EU and like-minded states.

Although democracy support must be ultimately anchored in free and fair elections, the *quid pro quo* for inclusion of any country in the OAS, supporting democratic governance involves fostering more deliberative and inclusive institutions. Again, take the issue of judicial independence: in many countries, judiciaries are plagued with problems of corruption, inefficiency, and entrenched clientelistic practices. Canada’s assistance programs often acknowledge the importance of judicial independence, yet more effort and resources are directed at administrative reform, which is easier to accomplish and less politically fraught. The international community needs improved indicators of judicial independence that can be used to assess judicial reforms. Democracies are sometimes established by revolutionary means, but they must ultimately take the form of a constituted order. A “democracy” that cannot pass the test of upholding judicial independence cannot be described as “constitutional.”

Yet the defence of constitutional aspects of democracy is complicated by the reluctance of members of the OAS to interfere in one another’s internal affairs. The Charter has served as a useful instrument at the disposal of the OAS in moments of democratic breakdown – such as in April 2002 in Venezuela – but the international community is virtually immobilized whenever a democratically elected leader wins public support for his or her actions by plebiscitary means, regardless of the effect of these actions on quality or stability of democracy. The IADC did not prevent the Venezuelan executive from stacking the Supreme Court, nor could it guarantee conditions for competitive elections in 2006. Between 2002 and 2004, OAS Secretary General Cesar Gaviria worked tirelessly to broker an understanding between the government and

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<sup>13</sup> See Carter (2005).

opposition in Venezuela, but to date the most effective impediment to the efforts of the president to centralize power came with the repudiation of a package of constitutional reform measures in a popular referendum in 2007.<sup>14</sup>

Further proof of the limited potential for application of the Charter by the OAS in situations short of the forceful overthrow of an elected democracy is the fact that the IADC leaves unanswered what an “unconstitutional alteration of the constitutional democratic order” would mean, and the OAS has not made public the indicators it uses to measure the diverse aspects of democracy that might be invoked in a crisis. This would not be a problem if agreement on constitutional essentials existed within all OAS member states. This, however, is not the case in most of the countries of Latin America and, as a result, the problems that arise with respect to the building of democratic institutions tend to revolve not so much around whether elections are free and fair but concern the broader institutional context in which they are fought, and the ways in which democratically elected governments wield the power not only to legislate but to alter the fundamental rules of the game.

Canada’s domestic experience suggests several comparative advantages for its engagement with democracies in the Americas. For example, based on the strength of Canada’s political parties, the Standing Committee Report *Advancing Canada’s Role in International Support for Democratic Development* recommended increased involvement in political party development (House of Commons, 2007: Section 7.1). On this subject, the government’s response stated that “Canada’s democracy support will strengthen democratic processes that give citizens a greater say in the decisions that affect their lives, with a focus on elections, parliaments, independent media, political parties, and civil society” (DFAIT, 2007: 5-6). It is important to simultaneously reinforce positive channels of communication between civil society organizations and formal political institutions, in part to increase public confidence in the latter (see House of Commons, 2007: Section 7.2; UNDP, 2004: 150-8). The Standing Committee Report also highlighted Canada’s comparative advantages in support to parliamentary systems and in implementing policies for multiculturalism. This can be especially valuable in Canada’s increased engagement with Caribbean Commonwealth states. Similarly, Canada’s support is important to domestic Latin American civil society groups, for example, to enhance their engagement with the IADC, and to help build consensus around constitutional essentials that are vital to an agenda for inclusion.

Yet a number of governments in the Americas have begun to treat bilateral aid to civil society organizations as a form of intervention, and efforts to support political party development are likely to meet with similar resistance. Resistance to external support for democracy can be interpreted in part as a reaction to the way in which democracy promotion has been conducted by major donors in the past. It therefore seems important to work towards restoring the wider legitimacy of democratic development as an objective in its own right in the wider international community. Canada’s good reputation, lack of a colonial history, and record of constructive

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<sup>14</sup> Admittedly, even this rebuke did not prevent President Chávez from pushing forward with his proposed constitutional changes.

cooperation since 1990 in the OAS gives it particular legitimacy on these issues in the region. Likewise, this underscores the need to work both outside but also in tandem with multilateral institutions, and to ensure Canada's responsiveness to needs expressed by policy makers and citizens of states in the Americas.

Canada can contribute to an ongoing shift in democracy assistance policies. Some major donors are moving toward what the UNDP (2007: 31) calls "nationally owned democratic governance assessments." One of the UNDP's strategic initiatives is to identify methods and approaches for "democratic governance assessments designed to serve the needs of policymakers, identifying the institutions and processes for reform, setting milestones and benchmarks, and developing systematic indicators to monitor progress. The results will be integrated into planning exercises by national partners, and in national human development reports, poverty reduction strategy papers, the African Peer Review Mechanism, MDG reports, and localization of the MDGs" (UNDP, 2007: 31). In a similar vein, the Swedish International Institute for Democracy and Electoral Assistance (IDEA), has pioneered a democracy assessment methodology that starts with the premise that citizens, not outsiders, should conduct democracy assessments (Beetham, 2008: 18). An initiative to create a research network to report on the state of democracy in the Andean sub-region uses a combination of the IDEA methodology and indicators specific to the Inter-American Democratic Charter.<sup>15</sup>

There are also opportunities for Canada to support social policy innovation and South-South cooperation, through both the OAS and the UN system, as a means to achieve greater social inclusion. Latin America is currently undergoing a renewed period of experimentation in social policy. Chile is often extolled as a model democracy and market economy, but the reasons for Chile's success have as much to do with solid public institutions and social investments as dynamic private markets. Although Chile has a long history of investing in social development and nurturing of robust public institutions critical to human development,<sup>16</sup> historically Costa Rica is the country that has come closest to an egalitarian and universal model of social welfare (Filgueira, 2007) and, in the current era, Uruguay seems well-poised to create a democracy with universal social welfare. All three countries have relatively strong public sector institutions. Peru has dozens of special funds devoted to an array of social policy objectives, but, despite an economic bonanza in recent years, officials have been unable to spend these funds due to limited

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<sup>15</sup> This project, which is coordinated through the Centre for the Study of Democratic Institutions at the University of British Columbia, brings together the Andean Commission of Jurists, networks of Andean academic and non-governmental organizations, a group of "Friends of the Democratic Charter" sponsored by the Carter Center, and International IDEA to examine the electoral, constitutional, and citizenship dimensions of democracy. Their goal is to assess democracy outside the OAS, with wide participation of civil society organizations and think tanks, in order to assist evidence-based decision-making and public debate. The initiative is supported by the Canadian Department of Foreign Affairs' Glyn Berry Program for Peace and Security. For more information, see: <http://geo.international.gc.ca/cip-pic/cip-pic/democratictransitions2007-08-en.aspx>; and [http://www.idea.int/americas/research\\_sod\\_in\\_andean.cfm](http://www.idea.int/americas/research_sod_in_andean.cfm)

<sup>16</sup> These include the Social Investment and Solidarity Fund (known as FOSIS in Chile) or the Regime of Explicit Health Guarantees (the AUGE Program).

state capacity and few trained personnel, both in the central government and more conspicuously at the regional level, with the effect that the state now has decreased capacity to redistribute wealth (Barrantes, 2007). The contrast among these cases suggests that open markets must be complemented with effective public sector institutions in order to distribute the benefits of growth equitably.

## **Conclusion**

This article has argued that Canada's past engagement with Latin America was based on overly optimistic assumptions about the prospects for democratization, market reform, and hemispheric cooperation in the absence of sustained and profound political institutional change. A more realistic approach to support for democracy in Latin America would continue to supplement the need to encourage free and fair elections with attention to improving the institutional conditions that ensure elections are meaningful expressions of the sovereignty of the people, including both institutional changes and social reforms aimed at enhancing inclusive citizenship. Recognizing the tension between the constituent power of the people, and the need to stabilize constituted political institutions will require an approach to supporting democratic developments in the region that avoids the presumption that "all good things" come in packages: that economic and political reforms are mutually reinforcing and can be achieved by cooperative means.

Rather than encouraging market reforms in the hope that they generate the prosperity that sustains democracy, and in the process foster a more cooperative hemispheric community, Canada should contribute to supporting communities of citizens through policies of institutional strengthening and inclusion as the foundation for meaningful democratic practices and equitable and productive economic systems. Support for democracy will be less likely to feed into the pro-sovereignty backlash in the region if Canada aligns with other major donors, like the EU, and the priorities of multilateral institutions, like the OAS. Furthermore, unless Canadian policy is seen to be driven by the needs and requests of citizens in the region, there is a significant risk that it will be ineffective or perceived as unwanted interference. Re-engagement motivated by a genuine desire for fully inclusive, orderly, and just democracies, as a foundation for international peace and prosperity, is sure to resonate in the Americas.

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