INTERNATIONAL REPUBLICAN INSTITUTE

# Upcoming Elections in Western Hemisphere: Implications for U.S. Policy

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#### Introduction

Chairman Cook, Congressman Sires, and Members of the Subcommittee, thank you for the opportunity to testify on the upcoming round of elections set to take place throughout the Latin America region in 2018.

#### Overview

This year, Latin America will embark upon some of the most consequential elections in the region's recent history, with the potential to alter the direction of the region's governance and economic development. Eleven countries will hold elections in 2018, meaning three quarters of all citizens in Latin America will have the opportunity to elect new leaders against a backdrop of high-level corruption scandals that have touched almost every country in the region; stagnant or minimal economic growth; sustained high levels of violence; and declining support for democracy.

According to a recent survey by Vanderbilt University's Latin American Public Opinion Project (LAPOP), support for democracy and its core principles and institutions had decreased by almost nine percent between 2014 and 2017. This is particularly worrisome in a region where autocratic rule remains a problem. Disaffection with democracy, growing citizen dissatisfaction and anger towards the political establishment is a dangerous mix that could influence the outcome and legitimacy of various elections. If elections are badly managed, this also has the potential to undermine public confidence and worsen the political situation.

Young voters are also expected to have an impact on the outcome of these elections. The average rate of youth unemployment rose from 18.9 percent in 2016 to 19.5 percent in 2017–meaning one in every five young adults is unemployed. While Latin America as a whole has seen significant economic growth over the last decade, 2017 was marked by an almost stagnant economy in which the region saw a mere 1.2 percent GDP growth. At the same time, Latin America also has a growing middle-class who now have an opportunity and the time to worry about where their money is going and how their politicians and elected officials are responding to their needs and demands.

Undoubtedly, corruption will be one of the foremost issues in all eleven elections. Almost every country has seen its share of corruption scandals over the past few years, most notably those tied to the Brazilian construction company Odebrecht and its extensive tangle of graft. The fact that a number of high-level politicians have been in the Odebrecht scandal has served as confirmation for many Latin Americans that their political class and business elites are irredeemably corrupt. Transparency International's most recent Global Corruption Barometer report found that 62 percent of Latin Americans think corruption has increased and perceive politicians to be the most corrupt. Countries like Mexico, Guatemala, and Argentina have embarked upon anti-corruption initiatives in response to a clear steer from voters that they are looking to politicians to clean up the status quo.

Rampant crime is another pressing issue for many in Latin America. The region continues to have high homicide rates, add 14 out of the 20 most dangerous countries in the world are located in Latin America. Even Costa Rica, which is considered to be one of the safest in the region, hit a record high murder rate in 2017.

Insecurity and violence are tied in part to weak security and judicial institutions. Crimes go uninvestigated, untried, creating an atmosphere of impunity of criminals and popular frustration and disaffection with



government. According to the University of the Americas Puebla's Center for Studies on Impunity and Justice 2017 Global Impunity Index, nearly half of the 19 Latin American countries examined scored amongst the worst globally, and Mexico had the worst impunity score in the region. Crime and insecurity are also symptomatic of low governance capacity among elected officials, especially at the local level. This environment of insecurity and impunity creates vulnerabilities to election-related violence, which has been a problem in the past in Mexico and Colombia.

While all 11 countries experiencing elections in 2018 are important, five of those electoral results could have far-reaching repercussions.

#### Mexico

Mexico will hold general elections on July 1, 2018, with voters selecting the next president, senators, federal deputies, and 2,787 local positions. In total, 3,416 government positions will be contested. The elections will also mark a number of firsts for Mexico: the first time independent candidates unaffiliated with a political party are permitted run for president; the first time all political parties have formed electoral coalitions; the first time the 2014 constitutional electoral reforms will be tested; and the first time Mexicans abroad will be able to vote for their governors and mayors.

Young voters will also play a significant role in the elections as Mexico now has a youth bulge, with more than 30 percent of youth now eligible to vote. Furthermore, four out of every ten voters will be between the ages of 22 and 36. Historically, youth have been largely shut out of internal party leadership positions, so it is no surprise that Mexican youth have little taste for the country's traditional parties: young people comprise only 20 percent of political party members.

Despite their low levels of participation, young Mexicans have a vital role to play in the country's political future. If they are to have any influence on the political process, additional support to encourage youth participation is needed. At the International Republican Institute (IRI), our signature youth initiative, Generation Democracy, works throughout Mexico to incorporate youth as a key partner in all our programs.

Corruption will be among the top issues in mind when Mexican voters cast their ballots. Mexicans are increasingly fed up with what they perceive to be systematic and entrenched corruption that has infected all levels of government and affected their financial bottom line.

Bowing to popular demand, President Enrique Peña Nieto created the National Anti-Corruption System (SNA) in 2016 to serve as a coordinating agency between government agencies and civil society in order to strengthen collaboration in the fight against corruption. The SNA not only serves as a commission dedicated to combatting corruption, but a law that organizes and provides structure to diverse, and often competing, government institutions. IRI works with the SNA to strengthen coordination and cooperation between public and private sector, civil society, and academia to jointly tackle corruption, while also empowering citizens to make their voices heard—for example, through the Incorruptible platform, which allows citizens to address and map corruption.

Despite the progress made by the SNA, the culture of transparency that it seeks to promote has yet to filter through to the rest of the government. Only 13 out of 32 states have passed constitutional reforms, and just two have implemented laws to support these reforms. The next president of Mexico will have the opportunity

to lead the fight against corruption by better supporting the SNA; unfortunately, at this juncture continuing support is not a given.

Mexico has been plagued by some of the region's highest levels of crime and violence. In 2017, the country registered a record number of murders, making it the deadliest year in its modern history. This violence also spills over to electoral periods. In a little over one month 11 politicians—five of whom aspired to run for office—were murdered. Mexico's military retains a law enforcement role, which could become permanent, as the Congress recently passed controversial legislation institutionalizing the military's role in enforcing citizen security.

While violence and crime is a multi-faceted issue with many causes, some Mexicans blame judicial reforms set in motion in 2008 which should have been implemented by 2016 for allowing some criminals to go free. The reforms have been only partially adopted in some states and not others, leaving citizens and those officials affected by the changes confused between the old written trial system and the new oral process. IRI works Mexican civil society and government entities at all levels to build public awareness and support for the new justice system in order to bridge the gap between government and citizens and improve citizen security. The Institute's Seguridad con Justicia (Security with Justice) program, funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) via the U.S.-Mexico Merida Initiative, builds public understanding of the new system at all levels of government and educates citizens on the reforms. This year's presidential and legislative elections will determine whether these reforms are fully implemented or scrapped altogether.

Mexico's established parties—the National Action Party (PAN), the Institutional Revolution Party (PRI), and the Democratic Revolution Party (PRD)—have lost credibility and support throughout the years. According to recent polls, former mayor of Mexico City Andres Manuel Lopez Obrador (known as AMLO) has emerged as the front runner. AMLO is running for president for a third time under his National Regeneration Movement (MORENA) party. AMLO has become more moderate and has cautiously distanced himself from some of his more radical left-leaning stance, even entering into a coalition with the conservative Social Encounter Party (PES). He is also campaigning on all three major issues: corruption, violence and insecurity, and economic development.

For the first time, the PAN and PRD will form a coalition and support one presidential candidate. PAN's former president, Ricardo Anaya, is expected to head the ticket, but the current Mayor of Mexico City and PRD member Angel Mancera is also expected to compete for the coalition's nomination. Former first lady Margarita Zavala was until recently a member of the PAN and declared her intention to run for president back in 2015; however, internal party disputes led her to break off with the party and she is now running as an independent. The PRI, which has joined forces with two other parties, is expected to put forward former Finance Minister Jose Antonio Meade, who is not a member of the party, in an effort to distance itself from incumbent Peña Nieto's dismal approval ratings.

Two additional independent candidates have gained attention in what is turning into a crowded field. Former independent Governor of Nuevo Leon Jaime Rodriguez has announced his candidacy, despite the fact that his record is marred by corruption scandals and media confrontations; and Maria de Jesus Patricio (also known as "Marichuy") is running under the National Indigenous Congress and the Zapatista Army of National Liberation, with which it is closely aligned.

Mexico's National Electoral Institute (INE) is well-respected in the region. However, the Institute needs assistance with combating disinformation; international observation missions to enhance the legitimacy of the results; and post-election support to enhance legitimacy. Mexico's Special Prosecutor for the Attention of Electoral Crimes (FEPADE), one of the institutions that helps with the federal electoral process, has also requested international assistance with electoral observation.

#### Venezuela

Per Venezuela's constitution, the country should hold presidential elections in 2018. Traditionally these have taken place in the last quarter of the given year. However, many analysts believe that President Nicolas Maduro will schedule the elections for as early as the first quarter of 2018. Given the country's disastrous economy, growing humanitarian crisis, high levels of insecurity, blatant oppression against anyone perceived as in opposition to his government, and his intention to run for re-election, it is not a surprise that Maduro would try to move the date of these largely pre-determined elections up, as this will allow Maduro to exploit divisions within the political opposition and consolidate power prior to further deterioration of the economy. Some economist estimate that the country's inflation rate could hit 30,000 percent and higher in 2018.

Early elections could weaken the opposition and catch them off-guard leaving insufficient time to unite behind a single candidate and mount a proper presidential campaign. In December 2017, Maduro also took further steps to ensure his victory in the next presidential election by banning the main opposition political parties from taking part in the 2018 elections. The Justice First, Popular Will and Democratic Action parties had boycotted the December 2017 municipal elections to protest a rigged electoral system. The boycott was the second that year after the opposition also shunned an earlier National Constituent Assembly election on the grounds that it was unconstitutional.

Those two elections made it blatantly apparent how far the government was willing to go to secure an electoral win: including the consolidation, closing, and late move of electoral precincts to confuse and discourage voters; manipulation of votes; and the use and abuse of government resources and benefits to essentially hold votes hostage. These techniques will likely be used once again for the presidential elections, in addition to an electoral council packed with government cronies, and government control over the media and persistent disinformation campaign—all of which leaves little chance for a legitimate, free and fair electoral process, and discourages eligible voters from participating.

Venezuelan government and political opposition leaders have unsuccessfully engaged in talks outside of the country to see if they can reach a solution to the current crisis. Opposition representatives have included the guarantee of an equal, free and fair electoral process as part of their demands. In order to achieve this, the Maduro government would at minimum have to roll back all of the structural obstacles it has put into place, including changing the electoral council to provide for balanced representation of the opposition and allow for domestic and international electoral observations. Further international pressure on Venezuela, not only from the United States, but also from throughout the region and Europe, could help in these efforts.

### Cuba

After almost 60 years of rule by the Castros, Raul Castro is set to step down in April 2018. The road to selecting a new president is an election in name only. The Cuban government has long asserted its power to ensure complete control over the process and its outcome, and these elections are no different. In November

2017, local elections for more than 12,500 positions took place without allowing a single opposition candidate to compete. Local elections are the only electoral process in which Cubans have a direct vote, but candidates are restricted to those approved by the regime. Of the almost 30,000 candidates, 175 linked to a dissident movement were nominated, and all were disqualified under specious pretexts before Election Day. The electoral processes that will unfold in prior to April 2018 are tightly-controlled by the government, and the majority of Cubans do not have the opportunity to participate.

The Council of State announced recently that elections to determine provincial assemblies and National Assembly deputies will be held in March. The National Assembly will elect the new president, vice president, and 31-member Council of State from among its members in April. Cuba's current First Vice President, Miguel Diaz-Canel, is expected succeed Castro as president. However, Castro is expected to remain the head of the Communist Party, thus retaining most of the decision-making power on the island. Diaz-Canel, born after the revolution took place, is a former minister for higher education and Communist Party member, although he is not one of the top leaders within the party and is not an important leader within the Cuban military. Consequently, it is difficult to believe that he would have the support, willingness, or ability to challenge Castro's continued grip on power.

Some analysts suspect that Castro may try to maneuver his only son, Colonel Alejandro Castro Espin, into the presidency. Castro Espin is part of his father's personal staff and was involved in the negotiations with the U.S. to normalize relations announced in 2014. However, he is not part of the upper echelons of the Communist Party, military or government, nor is he a member of the National Assembly—although that could change with the upcoming selection of new National Assembly members.

In this tightly-controlled and repressive environment, Cubans continue to demand the opportunity to control their destinies. Cuban youth in particular are increasingly pessimistic about their futures, disconnected from the regime and want to leave their country. The U.S. should support programs that provide outlets to these disaffected youth and civil society actors. Additional assistance to increase the island's connectivity with the outside world and within the island is also needed, as communication within the country can be just as difficult as connecting internationally. To improve the situation, Cubans need access to equipment, software and training related to increasing internet and wireless connectivity, including the use of short-wave radios.

## Colombia

The next president of Colombia will have the onerous tasks of implementing the peace agreement with the Revolutionary Armed Forces of Colombia (FARC) and carrying out reforms promised as part of the agreement in the areas heavily affected by the conflict. This will not be an easy task as there is general dissatisfaction with the progress in implementing the peace agreement.

According to a Gallup poll, 55 percent of Colombians are unhappy with the way in which the agreement is being implemented. There is increased unrest in communities where citizens are feel that the government has failed to deliver on its promises. These communities, often in rural areas, have local governments which tend to be disconnected from the central government and have a lower capacity to govern, yet are charged with the implementation of many of these reforms—including reparations for victims of the FARC and the re-integration of internal displaced populations. In order to do this successfully, local governments must also be able to communicate and coordinate with their federal government colleagues. In order to deliver on these

promises, it is vital to support increased government capacity in these rural communities and help to open up channels of communication between different levels of government.

Colombia will hold legislative elections on March 11 and the first round of presidential elections on May 27. The country's 2018 elections are historic, as FARC will participate for the first time under their newly formed political party, the Common Alternative Revolutionary Force (keeping the same acronym). Under the peace agreement signed in 2016, the FARC are guaranteed at least ten seats in Congress: five in the House and another five in the Senate, for the next two elections and through 2026. Their participation in the elections and the subsequent elected offices they will hold will re-shape the political landscape in Colombia. While the FARC's organization and influence in rural areas could help them in the elections, the group remains vastly unpopular on the national level: according to a November Gallup poll, 79 percent of Colombians have an unfavorable opinion of the FARC.

While most of the international attention will center on the presidential elections, the outcome of the congressional elections will be a bell weather for those elections. The large number of independent candidates running for Congress could make it difficult for the winning presidential candidate to form a coalition in Congress and could lead to difficulties governing. As Congress will continue to play an important role in the implementation of key reforms needed to implement the peace agreement successfully, the make-up of this body will be crucial.

The next president will also have to confront issues including corruption, justice reform, and the unraveling situation in neighboring Venezuela. Despite these challenges, a staggering number of presidential candidates (53) are running, many as independents. According to a November 2017 Gallup poll, 89 percent of Colombians have an unfavorable opinion of political parties. This growing dissatisfaction with political parties and an increase in independent options could signal a shift away from the traditional party system that previously dominated Colombia. Like many countries in the region, this break from the political establishment can be blamed on the many corruption scandals plaguing political leaders, increased distrust in politicians, and overall mismanagement.

Former Vice President German Vargas Lleras is one of the current frontrunners in the presidential election. Until recently, he was the leader of the Radical Change party, but chose to run as an independent in an effort to appeal to a broader group than his former party's small party base. He will also need to distance himself from current President Manuel Santos, whose approval ratings sit at around 30 percent. Vargas Lleras will compete against Medellin Mayor Sergio Fajardo, who has been leading in some polls, and former Bogota Mayor Gustavo Petro, who was plagued with scandals during his tenure.

On the opposite end of the political spectrum is Senator Ivan Duque, running under former President Alvaro Uribe's center-right Democratic Center party. At 41-years old, Duque is the youngest candidate and will have to defeat former Defense Minister Marta Lucia Ramirez in order to lead the center-right coalition. Also running is FARC leader Rodrigo Londono (also known as "Timochenko"), who is likely to be tried for human rights abuses under the transitional justice tribunals. With so many candidates in the field, it is unlikely that one will win at least 50 percent of the votes plus one in the first round, in which case the top two candidates will face off in a second round on June 17.

Brazil

Brazil has experienced perhaps the biggest backlash against the corruption scandals that have embroiled the country in recent years—launching a wave of civic movements focused on preparing new, young candidates. However, these movements could be co-opted by entrenched political elites given their lack of formal hierarchical organizational structures and a desire by political parties to minimize competition.

Political parties have been disconnected from their constituents. As a result, 87 percent of Brazilians believe that the government advocates for its self-interest alone and only 24 percent trust that the government will do what is right for their country. Current President Michel Temer's approval is so low that there is a palpable appetite among voters for change in the October 2018 elections, although that may not necessarily mean putting a new face in power. The leading candidate is former president Lula da Silva, who was convicted of corruption and whose final candidacy is contingent on his appeal. Da Silva is also running on an anti-reform campaign, which could impact the country's recent economic recovery. According to polls, his most formidable opponent Congressman Jair Bolsonaro, a former army captain and extreme nationalist with a militaristic bent. Former Environment Minister Marina Silva is currently polling third, but will likely ties with Bolsonaro if da Silva is disqualified.

### Ecuador and El Salvador

There are two additional electoral processes that are worth highlighting: Ecuador will hold a popular referendum on February 4 and El Salvador's legislative and local elections will take place in March. Ecuadorians will vote on seven questions, including eliminating indefinite reelections; reforming the Citizen Participation Council (which had been used by former President Rafael Correa to his favor); and the barring of public officials from holding any public office if convicted of corruption. The referendum will test President Lenin Moreno's ability to break away from his predecessor and solidify popular support. Several of the questions are also seen as olive branches to voting blocs previously alienated by Correa's government and an opportunity to establish stronger rule of law and improve transparency.

In El Salvador, local and legislative elections will be a bellwether for the important presidential elections taking place in 2019. El Salvador's last two elections were hotly-contested and fraught with allegations of electoral irregularities and fraud, fueling tensions between political parties and within society. Unsurprisingly, a majority of Salvadorans have little-to-no confidence in their electoral institutions. The 2018 elections will be a test of the country's Supreme Electoral Tribunal (TSE) to see how far they have come in recent years. Support for the TSE, civil society organizations supporting electoral monitoring and greater civic engagement in the process is needed from now through next year's elections. IRI's programming is addressing some of these challenges for the country's 2018 elections, but additional assistance is needed for 2019.

### Recommendations

1) **Strengthen the fight against corruption.** Endemic and entrenched corruption undermines any reforms and advancements governments try to make. It also weakens citizens' confidence in their government and democracy. It is important to support the ability of state systems to combat corruption and support civil society as an external source of pressure.

2) Help to improve governance. Beyond elections, assistance is needed to strengthen the ability of governments and elected leaders to do their jobs and deliver on their promises. Support should also be given to civil society to hold governments accountable.

3) **Support the renovation of political parties.** Citizens throughout Latin America have lost trust in political parties. Strong political parties are essential to healthy democratic systems. The U.S. should support political parties in overhauling their structures to make them more accessible and transparent, and able to engage with all citizens, especially youth.

### Conclusion

As Latin America approaches a highly consequential year of elections, many things remain unclear—but what is apparent is that the direction these countries will impact the U.S., especially on issues like the economy, migration, and security. It is vital that Congress and the Administration support efforts by our partners to ensure free and fair elections throughout the region, and continue to work to strengthen transparency and the rule of law throughout Latin America. Support for improved governance, stronger democratic institutions, and more active and coordinated civil society is needed to ensure that elected officials are able to address core challenges such as corruption and rampant violence, in order to ensure that citizens can have faith in their democratic systems. I am grateful for the opportunity to appear before this subcommittee and look forward to your questions.