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ASPEN SECURITY FORUM

Southern Discomfort

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Baltazar H.: My name is Baltazar Hernandez, and I'm a coordinator with the Center on the Future of War at Arizona State University. I'm a 2018 Aspen Security Forum Scholar. I'm delighted to introduce our next session titled South Discomfort. This year, the Americas have seen some of the most momentous transfers of power, political repression about autocratic leaders in Venezuela and Nicaragua and enduring violence, corruption and instability in the region.

Moderating this session will be Enrique Acevedo. He's been recognized as one of the top Latinos in American newsrooms by the Huffington Post and a global media leader by the World Economic Forum. Enrique Acevedo is an Emmy award-winning anchor of Noticiero Univision late night edition and a special correspondent for the Fusion Media Group.

Acevedo has covered the news around the world for print, broadcast and digital media. This includes Fidel Castro's funeral in Cuba, the 2011 Tōhoku earthquake and tsunami in Japan, the HIV-AIDS epidemic in Africa, the humanitarian crisis in Haiti and the drug wars in Mexico and Latin America. He's a frequent contributor on NPR's Here and Now and on many of the most popular radio shows across Latin America. He's the recipient of a news and documentary Emmy award in the outstanding newscast or news magazine category. He's also been awarded the National Journalism prize by Mexico's Press Club on two occasions. Now, with that, let's get started.

Enrique Acevedo: Thank you so much. That's a very generous introduction. I'm thrilled to be here this morning. Thanks to the Aspen Security Forum for having us and most thrilled that this is the first time we're having a discussion on Latin American affairs at the forum. It's something that I really appreciate and I know that we have the right panel to get into it.

Without further to do, I'd like to introduce Ambassador Roberta Jacobson. She is the former Under Secretary for Western Hemisphere Affairs and, until recently I think, someone that had one of the most difficult diplomatic jobs in the world, Ambassador to Mexico for the Trump administration. Thank you so much for being here today. Honorable Ambassador Amaral from Brazil, he has a lot of experience in diplomatic posts around the world and of course he was part of the Fernando Henrique Cardoso administration in Brazil. Thank you so much, Ambassador, for being here this morning.

Sergio Silva do: [crosstalk 00:02:32]

Enrique Acevedo: And Cindy Arnson, thank you, the Director of the Latin American Program at Woodrow Wilson Center, someone who has dedicated much of her academic and professional life to Latin American issues. Let's start with the news. Just last week, a unusual show of administration force in Mexico with the presence of Secretary of State Pompeo, Secretary Nielsen, Secretary Mnuchin, Jared Kushner and a team of diplomats and White House officials traveled to Mexico to meet with President-Elect Andrés Manuel López Obrador.

Benito Juárez, the historical figure, President in Mexico 19th century, said that, "With individuals, as with nations, respect for the rights of others is peace." I mention this because López Obrador greeted the US delegation under a painting of Benito Juárez, a not so subtle message I think. I want to ask you is this massive mandate that López Obrador has after the election going to change the substance and the tone we've been hearing in the US-Mexico relation in the last couple of years?

Roberta Jacobso: First of all, thank you Enrique for being here and thanks for the forum. I really am excited that we're talking about Latin America in a security forum. Too often it gets ignored as unimportant. I think the bilateral relationship with Mexico ... Obviously, somebody like me thinks it's the most important relationship in the world. For the vast majority of average Americans, it impacts their daily lives ... It's a toss up between Canada and Mexico ... In ways that no other relationship does. That relationship, there have been comments that it's better than it's ever been by the Foreign Minister, Videgaray, of Mexico. There are many who have commented that it's at its low point, that it's very bad. The truth is usually somewhere in between. There is an enormous amount of work that's still going on.

López Obrador, or AMLO as I'm going to refer to him as all Mexicans do as well, is obviously going to change the tone of this relationship, in part because President Peña Nieto, who was incredibly patient and diplomatic in the face of a lot of insults from President Trump, saw his approval ratings hover in the teens and below. There's a lesson in there for successors I think. On the other hand, I think that AMLO and his team have made very clear that they want a good relationship with the United States. They think it's the most important relationship they have. Because he has this mandate, because he is a man of the left, he has the credibility to decide not to take it on frontally, to have a positive relationship while still being, I think, much firmer on certain issues in the relationship than his predecessor was.

Enrique Acevedo: Cindy, just to follow up on that, it seems that Mexicans voted for change overwhelmingly in this election against corruption, against violence, but also in a way against, again, the type of relationship that they've perceived as a show of weakness from the current Mexican president and Washington, especially after the campaign and the first year and a half of the Trump administration and the rhetoric we've been hearing from the White House. Do you think we can expect real change in the short term?

Cynthia Arnson: Thank you Enrique. Thanks for the forum. I think there will be a real change in tone. The view of the United States among Mexicans has plummeted to near historic lows. There was a great deal of positive sentiment towards the United States, towards the American people and that, since the beginning of the Trump administration and actually beginning with the attacks during the campaign on Mexicans as rapists and as criminals, has caused the relationship to decline. I

think that OMLO, much more than his predecessors, will be extremely sensitive to that public opinion and to further insults.

I think it's interesting. I think Former Deputy Secretary, John McLaughlin, put his finger on something very important yesterday when he said that, "There's almost two administrations. There's President Trump talking to his base, tweeting from the White House, making statements at political rallies and there is a professional foreign service, professionals throughout the US government that are charged with handling this relationship. I think Mexico, more than any other country ... Certainly more than any other country in Latin America ... Has suffered the brunt of the attacks by President Trump. That has actually filtered throughout the region as more generally an attack on Latin America.

I think that there are so many ways, as Roberta pointed out, that the United States and Mexico are deeply integrated in economic terms. What's happening now with drug-related violence, the historic levels of violence within Mexico, is also something that affects the United States in terms of drugs coming into the US, whether it's cocaine from Colombia or methamphetamines or fentanyl or whatever. It's such a vital relationship that I think that at the granular working level of the US government, there will be a great effort to keep this more or less on an even keel.

Enrique Acevedo: And Mr. Ambassador, we were discussing before the panel started that ... We were talking about the election in Mexico, but in Latin America within six months, we've had six elections, right? It's Colombia, Venezuela, if you can call it an election, Cuba, Paraguay.

Sergio Silva do: Chile, Paraguay.

Enrique Acevedo: Chile and then ...

Sergio Silva do: And Brazil.

Enrique Acevedo: Mexico will have [inaudible 00:08:26] October. Talk a little bit about this very crucial year for democracy in Latin America.

Sergio Silva do: I think it's very important, Enrique, but first I would like to thank you and thank Aspen for being here and for these two outstanding discussions we have within the two. I think that's a very positive step. Mexico is one more step. This shows the consolidation of democracy in Latin America. You may remember that a few decades ago if you consider that 30 more countries of Latin America, almost half, were military dictatorship. Now except for Cuba, for Venezuela, what we have are democracies.

In the case of Brazil, we went through one of the most difficult periods recently with three crises, a traumatic impeachment, recession and anti-corruption crisis without precedent. What does this show? The biggest lesson is that institutions

of democracy were much more resilient than we might have expected. Now you have this group of democracies and I think that more and more Latin America shows its commitment to democracy.

Enrique Acevedo: We'll get into Venezuela, into Nicaragua, but I want to talk about corruption because the ambassador just mentioned that. It's this common thread I think when we discuss Latin America. It's not only corruption, but impunity I think, which is even worse. The rule of law, judicial institutions, judicial strength, but we somehow saw an evolution this year with the CICIG Guatemala, with what happened in Brazil, with what we're seeing in the other [inaudible 00:10:21] case in places like Peru. Maybe not in Mexico, but what is the state of the fight against corruption and impunity in Latin America?

Roberta Jacobso: I think, Enrique, it's a great question because it is one of the common threads, which is that populations ... At this point, publics in these countries have had it with the corruption that was accepted a few decades ago. Part of that is greater transparency. Part of it is the exposure and sunlight to that corruption, but what we're seeing is a testing of the institutions in these countries like never before and in many of them, I would say ... I would exempt Brazil because the ambassador is right to a large extent that the institutions of government have proven really wonderfully resilient and you have prosecutors and judges who've been incredibly courageous in this process, but elsewhere, what you see is a disgust with corruption that unfortunately could, and in some places has, become conflated with democracy.

Therefore, there is a danger that this vaunted democracy throughout the hemisphere that we all applaud is weaker or more precarious than we had hoped. In Mexico, you have one of the best anti-corruption national plans that's ever been created. As Mexicans often say, they have, "lindas leyes, beautiful laws, not fully implemented," and not entirely clear how and whether AMLO is going to implement fully the anti-corruption mechanisms, which are fundamentally institution-strengthening mechanisms. What we're seeing is in Brazil, you had a judiciary that really took on corruption. In some countries, you have legislatures which are taking on corrupt presidents. In no case can we say there is an executive who has gone into office and really implemented full anti-corruption measures.

I think, for me for example, I was one of the first US ambassadors to really talk about the corruption issue because it was the elephant in the room. Mexicans, when they voted this year, had three concerns. We should not overestimate the US in this. Their concerns were corruption, security and the economy, but the corruption and security were the first. When I began to talk about corruption and the rule of law and how to strengthen institutions, that began to ring increasingly hollow frankly with this administration. It is increasingly difficult for US diplomats to lecture, cajole, support on anti-corruption, impunity and conflicts of interest in the current environment. We used to have, frankly, that high ground to a great extent. I think we still can do a lot, but it's a danger we

have to be aware of even in the countries we feel are progressing well along the democratic route.

Enrique Acevedo: Cindy, I see you nodding your head.

Cynthia Arnson: Sure. What I would say is that we're at a really different moment in Latin American history, I think which is unprecedented. There has been corruption throughout society not only the government, but the private sector paying bribes. It takes two sides to make this happen. What has really emerged is an incredible intolerance for this kind of behavior. When you think about it, there are several explanations for why that is.

There's a phrase in Spanish, [Spanish language 00:14:02], he steals, but he gets things done. There was this sense that this was okay, that these standards were acceptable. What you've seen over the decade of the 2000s is a vast increase in the middle class. Some of this we talked about yesterday in terms of China and the commodities boom and the way Latin America became an exporter of primary commodities, but that increase in national wealth created a vast middle class. We're now in a different moment. Commodity prices have collapsed. Brazil is only in a limping fashion getting out, but you have raised expectations from millions of people for not only access to government services, but better quality services and at a time of economic downturn, there's just much less tolerance for how money is being used.

I think Roberta also mentioned there's a great deal of maturity now in the media, in investigative journalism, the ability to expose these things as the CNN correspondent in Mexico. Carmen Aristegui, came up and found the corruption scandal involving Peña Nieto's wife. This stuff is exposed and then disseminated throughout society and in social media. You've seen, again, a shift in attitude, where in the past, public opinion polls like Latinobarómetro would show that unemployment and the economy and crime and violence, citizen security were the top two issues for citizens of the hemisphere. Now corruption is up there, not throughout every country, but in countries where this has been exposed becomes a big issue.

Countries have a great ... There's a great deal of variety in terms of the institutional development and independence to prosecute these. You asked about impunity when you asked the question. There's a really checkered ability. At the same time, there are just record numbers of presidents who have been extradited, who are in jail, top officials in Brazil, top people who were some of the wealthiest in Brazil, this is unprecedented. The real question is whether judicial systems will be able to continue to develop the institutional capacity and the leadership to deliver on this demand throughout society.

Enrique Acevedo: Because it seems, Mr. Ambassador, that corruption is everywhere, in every country, but the impunity, the lack of action, once that corruption is uncovered, it's what was lacking in Latin America.

Sergio Silva do: I think you are right. I think that this was only possible in Brazil for two reasons. First, freedom of the press, which was very active all over this process. Second, it was the strengthening of civil society. If society were not behind the prosecutors, nothing could have happened, but society demonstrated very clearly. In the streets, there were demonstration of one million people that the continuity of Lava Jato was an imperative and nobody dared to face from important businessmen, from important political leaders.

There have been many attempts because one hundred people among political leaders and business people were taken to jail. There were many attempts to stop this process, but nobody dare to face the demonstrations in the streets. It's not only the demonstration in the streets. If you take the post for the next elections, priority number one, 80% of approval, the next candidate has to be clean with respect to corruption.

Enrique Acevedo: I do want to highlight that ... All of you mentioned the role of free press place in this strengthening of democracy. In the middle of a national debate here in the US about the importance of a free, independent press, I think that's an important point.

Roberta Jacobso: Right, and to remember that journalists have been killed at an alarming rate in a place like Mexico.

Enrique Acevedo: It's come with an increase in the murder rates also, but we just heard a panel about Iraq and Afghanistan and the very clear and present threats to national security in the US from that region. Why should we care about Latin America and corruption and impunity and democracy and everything that we've talked about so far in the context of the Aspen Security Forum? Again, this is the first time we have a panel on Latin American issues. Is it important to our national security? Is it relevant? Now that we're seeing a relationship more in transactional terms, as Vice-president Pence has presented the dynamics between Latin America and the US, does it matter really to have a discussion on Latin American issues in the context of US national security?

Roberta Jacobso: For me, I think that ... Certainly for the three of us who've worked on this relationship, the relationship between the Americas and the United States for our whole careers ... Ambassador's done much more than that-

Sergio Silva do: That's not true.

Roberta Jacobso: But Cindy and I certainly have. For us, the connection between the United States' security, between both Homeland Security and global security, and the Americas at large ... I'm talking about Canada, the Caribbean, Latin America as well ... Is very clear. Number one, it is in fact, our neighborhood. It is where we live. It is the relationships that are closest to us. Number two, this is a region of ... I haven't looked at the latest statistics, but I think we're talking about a billion

people in the region. I think that excludes Canada and goes south, but it is our biggest trading market overall.

Mexico is our third largest trading partner. We buy and sell more to this region than any place else in the world, so from an economic security perspective, it is very clear, despite the, for us, rather obsessive focus on countries that in fact we trade less with. Also, if you posit ... I'm not sure I always agree with this, but if you posit that the world today is at least to some extent sort of Western values, if we can call them that, versus extremism of various sorts, this is a region which shares our values, which fundamentally is one of Western values. To ignore it or take that ... To be complacent about that and the value of that in alliance, as you deal with the rest of the world, I think is extraordinarily dangerous.

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Roberta Jacobso: Deal with the rest of the world, I think is extraordinarily dangerous. It's one of the reasons that the withdrawal from TPP by this administration at the beginning was so damaging, I believe. Because that is exactly the kind of alliance that we should be making for our own benefit. But in addition, my experience in Mexico was, when you talk about migration and threats that can come along across the border, right? Whether it's from Canada or from Mexico, WMD, other forms of contraband, the opioid crisis in the United States where 60,000 people died last year from overdose, and other threats to the United States, if you aren't working with your partners, Mexico and the United States work really closely on the issue of migrants who may be coming across the border or heading north from outside the region.

We've seen numbers of people from South Asia and elsewhere from a very small base, but increasing more rapidly than anywhere else in the world. You have to have that cooperation for security, and to discard the region because it is non-nuclear, it is a non-nuclear region and has ended its hot wars if you will, is a real misunderstanding of the importance of it to our national security I think.

Enrique Acevedo: And economically I think, again we'll talk about Venezuela and Nicaragua specifically, but economically China has stepped up in the region the last decade. And it's now in a position of influence in places like Venezuela, much more than the US, it seems, Cindy. Even Russia, and that has direct implications to US national security.

Cynthia Arnson: Sure. In addition to what Roberta painted as the positive reason for engagement for the hemisphere, there are also some very troubling trends, and I would put narco-trafficking at the top of that. Venezuela is a key transit point. The Venezuelan government and armed forces are deeply involved in organized crime. Colombia has record amounts of coca cultivation and potential for producing cocaine. Even at a time when the coca cultivation had gone way

down, it was still the number one source of cocaine coming in to the United States.

So, there are a lot of these true national security issues outside of the realm of shooting wars that really do affect the United States, and I truly believe that the ability to get the cooperation of governments in Latin America to cooperate with the United States in stemming those flows depends on having a positive relationship across the board, and not just kind of pointing a finger and poking a finger in somebody's chest and saying you know, "It's your problem, you're the supply of drugs, you've got to do more." The answer from Latin America has typically been that the United States has to do a lot more to reduce demand and to prevent the use of drugs. I think that's really true.

Now, you also mentioned, Enrique, the role of China. China now, because the United States has been not putting Latin America as such a huge priority for a number of years, China has made-

Enrique Acevedo: That's a nice way of saying it.

Cynthia Arnson: That's a nice way of saying it. China has made enormous inroads economically, and I think principally the relationship between China and Latin America is an economic relationship. It's the number one trading partner of Brazil, of Chile, of Peru, and now of Uruguay. And it's the number two partner of any number of other countries, large countries including Argentina. A lot of that took place during the total boom years of the Chinese economy when it was growing 10, 11%, and there was an enormous demand for raw materials, for copper, for iron ore, for soy, also foodstuffs to feed its population.

Now, there is much more of an emphasis in China on providing for the wellbeing of this new sort of lower middle class, middle class. It's focused a lot on domestic consumption. So, there are still lots of products, new products, that Latin American countries are developing to satisfy Chinese demand. It's also the largest source of finance capital into the region. China, between its development banks, stake banks and others, lends more to Latin America than the World Bank, the Inter-American Development Bank, and the Latin American Development Bank known as the CAF combined. And so, you get a sense Latin America has a tremendous deficit in infrastructure and connectivity and China is there, willing to invest in rail lines and roads and ports and whatever. And this is capital that is actively sought by Latin American countries as satisfying their own development needs.

So, whereas the national security strategy of the United States has identified China as a threat in Latin America, it's not seen that way by the majority of Latin American countries, it's seen as an opportunity and it's one, I think if the United States wants to be in the game, it needs to be much more engaged economically.

Enrique Acevedo: And Tom Shannon said in the last panel that they didn't have anyone from the region explaining how they see this part of the debates. Right now we have Ambassador Amaral from Brazil, how do we see this from the south? This relationship in the context of national security between Latin America and the US?

Sergio Silva do: Okay. Got many subjects at the same time.

Enrique Acevedo: Right.

Sergio Silva do: I'd like to start by only qualifying the nature of the security issues which you have been discussing for these two days [inaudible 00:26:58] the nuclearization in Korea, Iran, Middle East, the pending conflicts. This, no we're not going to have issues of that magnitude, as well as [inaudible 00:27:11] not going to have breaking news during our session as we had the other day.

Speaker 1: Sorry.

Enrique Acevedo: It's been an eventful week, so I ... Saturday morning.

Sergio Silva do: And the confirmation that President Maduro decided to confirm a visit to President Trump. Not going to have any of these issues, but ... Or they are serious.

Enrique Acevedo: Unfortunately.

Sergio Silva do: And we have to take into account, and in many of them we are working closely with the United States. From the point of view of Brazil we have three main security issues. The first one is of course Venezuela, who deserves more attention. Perhaps we can raise this issue later. The second point is very important for Brazil. It's border security. Why? Because it's closely connected to our main challenge which is criminality, drug trafficking, and organized crime. In this we are working not only with our neighbors but we set up a foreign security with the United States, and one of the purpose of that is border security.

And the third one is immigration. We are not as involved in immigration like many other countries in Central America, but of course it is a matter of concern. With respect to China, much very, as I mentioned yesterday, very involved in that as chairman of the China Brazil Business Council. The Chinese put 60 billion dollars in Brazil in the next, in the last 10 years.

Enrique Acevedo: 60 billion dollars.

Sergio Silva do: 60 billion dollars confirmed. It's not ... They tend to announce-

Enrique Acevedo: Right.

Sergio Silva do: Normally they implement half of what they say, but this was checked. And they are important trade partners. Why are they important trade partners? Because there is a complementarity in our economies. We have what they don't have, that's land and water. In other words, capacity to produce, and with cultural commodities and mineral commodities. And they export to us what we sometimes need is goods, [inaudible 00:29:17], technology. I agree with what [inaudible 00:29:21] said. In Latin America, we don't realize big problems with China. Of course we have one problem, we'd like to export more value-added programs, but that's partly our fault.

But is not happening what happened in Africa, where Chinese brought the labor, brought the rules, brought the construction, and that there was a turnkey operation with Africans. This hasn't happened in Brazil. We told them we won't allow it to bring labor. They said it's okay. We won't allow it to buy big stretches of land close to the frontier. They said it's okay. Of course Brazil is a big country with more capacity to negotiate, but I think what we need in South America and in Latin America is more closer exchange of our experiences with China, because they are good but they can be improved to the extent we are able to make a better negotiation.

Roberta Jacobso: And there's one other thing that I should mention. Ambassador Amaral really explained it well, but for many years as China was becoming more active in the region, as assistant secretary for the hemisphere, we had talks with our Chinese counterparts every, twice a year. This has been going on for more than a decade. Nobody has realized this, but it's a relationship that we've really promoted. And under the Obama administration, the position was there is no threat in Chinese investment in Latin America, certainly during the commodities boom. There is no doubt that China's role in the millions of people who moved into the middle class was significant and positive. The position was, it is incredibly important that China, like every other country, play by the rules. Whether those rules are labor and environment or whether they are other things. I think the ambassador is right that Brazil had the weight to insist on that that wasn't always true elsewhere in the hemisphere.

The question now, when you look at China or other actors in the region, is how do we make that statement? You must play by the rules. What rules? The rules of the International Order, the WTO. It's a little bit harder to make that argument now with this administration to some extent flaunting those rules of the International Order. But the Chinese have also invested in Confucius Centers throughout the hemisphere at a time when the US was actually reducing many of its, if you will, the soft side engagement by national centers, cultural exchange, things like that. And that is unfortunate also, because what we found in the hemisphere is enormous receptivity to our engagement when we paid attention, and it's not necessarily a competition. I think the two can be complementary, but we're withdrawing from the field.

Cynthia Arnson: If I could just mention. There's a tremendous preference within Latin America, and Ambassador Amaral can speak to this as well, for multilateralism. So, when the United States withdraws from the TPP agreement, which by the way has gone on without the United States, signed in Chile last March-

Roberta Jacobso: We also withdrew from the migration compact.

Cynthia Arnson: And we drew from the Paris Climate accord. These are kinds of international agreements in which Latin American countries, Brazil taking a leading role in many instances, these are things that are seen as beneficial to the region. And, why is there that preference for multilateralism? Because a lot of countries in Latin America from the colonial period on through the Cold War were the recipients or the subject of direct sort of intervention, either by the United States or other European powers. And there is, I think, a withdrawing from a sense that the United States is going to sit and dictate the terms of engagement and a desire to expand the forms of insertion in the international economy.

And just one little factoid, because it's not necessarily understood in sort of security discussions, Brazil is as large as the continental United States. You're talking about a continental-sized power, and Brazil is what, the seventh or eighth largest economy in the world. These are not countries that we can ignore, and even when there are other Latin American countries that matter like Argentina or Chile or Peru or Colombia in a much different way, there's just I think a lack of appreciation of what South America as well as Mexico and Central America represent for the United States.

Enrique Acevedo: Sure. Let's talk about Venezuela. I think there is a ... The region welcomes the approach the Trump administration has taken towards Venezuela, but there seems to be a contradiction between that position and what we've seen for example in terms of the relationship with Russia and Vladimir Putin. So, on one hand you have Press Secretary Sarah Sanders saying we need democratic order in Venezuela, we need elections. And on the other we have Secretary ... I'm sorry, Press Secretary Sarah Sanders saying we can't talk about elections in Russia because we don't do that, right? We don't talk about other countries' selections.

Is that hurting what otherwise would be a very welcome, very effective, maybe, position of Venezuela from the Trump administration?

Roberta Jacobso: My view would just be that it is hurting us at a time when we have seen remarkably cohesive support for a stronger policy against Venezuela, a policy of support for democracy. The countries that surround Venezuela are the most impacted, Brazil, Colombia, and Ecuador, in terms of people leaving. But even further afield you see Venezuelans fleeing. So, this is a serious hemispheric problem. And as Cindy talked about, Venezuela as potential entry point for bad actors is a very serious concern, right? In terms of flirtations whether they be with Iran or others. But, we are also undermined not just by an inconsistency

between how we treat Venezuela and how we treat Russia, Latin America is fairly used to inconsistencies in our policies between some countries and others, but we're deeply undermined when the President talks about invasion and military action and has a conversation in which he raises it after it was raised publicly. That, according to the press, and that is so unsettling for Latin American countries, that it could make it harder for that unity with us on democratic Venezuela.

Enrique Acevedo: Mister Ambassador, what do you think when you hear invasion, military intervention, at your border?

Sergio Silva do: We agree with what the United States is doing or intends to do with [inaudible 00:37:01] Venezuela in all aspects except for one which raises concern in South America as a whole. That's military intervention, because military intervention is start with some countries, you never know where that will end. And I think we are working in a very serious way, Brazil was the first to take, well under government change, a tough position violation of human rights in Venezuela. Mercosur suspended Venezuela. We suspended financing for Venezuela. We are working, all the countries together, in the OAS eventually to apply the democratic charter in the suspension of Venezuela. The only step we are not prepared to make is interference in domestic affairs of Venezuela or military intervention for one single reason. We have 11 neighbors. We have never had a conflict with any of these 11 neighbors for more than 150 years, and we would not start a process of reciprocal interventions because this would sure disrupt these peaceful relations in South America. But we support all actions taken. But I think there's one action which is missing. It is the opposition in Venezuela.

Enrique Acevedo: Right.

Sergio Silva do: Because the opposition in Venezuela has been very active in preparing who's going to take the lead after Maduro leaves, but not in working and-

Roberta Jacobso: Not in working together.

Sergio Silva do: ... doing their part, because we cannot replace the opposition in Venezuela. It is their duty to take the lead. To say, they can get an understanding among them to have a joint plan or a joint proposal for the country and to mobilize their public opinion. We can't do that.

Enrique Acevedo: So our regional approach through OAS, no military intervention, civil society, but what's the solution in Venezuela?

Cynthia Arnson: Sure. Let me just underscore that Venezuela is the greatest political, economic, humanitarian crisis in modern Latin American history. And I think that because of the impact of the economic collapse and the scope of the economic collapse, and remember, this is a country that has the largest proven oil reserves in the world. I mean, it is just staggering between the levels of corruption and

mismanagement, and the sort of giving away of oil revenues for social programs when oil prices were high. The ability of that crisis to impact not just Venezuela's neighbors, but all of the hemisphere including small Caribbean countries that are now seeing these record flows of refugees, is enormous.

And I think that the United States and the Trump administration has actually worked very effectively with Latin American countries in building this regional consensus against the Maduro regime. They have not yet convinced Latin American countries to impose the same kinds of individual or financial sanctions that the United States has undertaken, but the United States and Latin American countries are really on the same side, and as both of the panelists have mentioned, I mean, the quip or the little sort of comment as Vice President Pence was about to go to Latin America last year, that military intervention was ... Or, military options were on the table, absolutely undermined that. And if I could just add a word that it's not only a political and diplomatic catastrophe in terms of US relations-

Enrique Acevedo: Military.

Cynthia Arnson: ... with the hemisphere, it is also a military catastrophe, because you have a peace process in neighboring Colombia that is not going very well, where programs to reintegrate combatants are not advancing with the speed that they need. You have an active insurgency, smaller under the name of the ELN, there would be nothing that guerrillas, active guerrillas and former guerrillas, would rather do than come to the aid of their Bolivarian neighbors to fight US imperialism in the region. It would be an absolute military and security catastrophe for the United States.

Enrique Acevedo: Not to compare oranges and apples, but are we talking about a crisis the size of what we've seen in Syria, for example? But just a few hundred miles away from the US border?

Cynthia Arnson: Well, in terms of the refugee numbers it absolutely it. I mean, we're talking about something in the vicinity of two million Venezuelans out of a-

Roberta Jacobso: I think it's three.

Cynthia Arnson: At least.

Roberta Jacobso: I think it's closer to three.

Cynthia Arnson: And none of the numbers are very accurate, because the governments, especially the Colombian government, which has received the bulk of them, something like five thousand-

PART 2 OF 3 ENDS [00:42:04]

Roberta Jacobso: The Columbian government, which has received the bulk of them, something like 5000 a day on an ongoing basis really wants to admit, you know, the number of Venezuelans that have come in. And I think there needs to be a regional conference to decide you know, how the region as a whole is gonna absorb. But again, if the United States is not willing to take in Venezuelan refugees what credibility does it have with the rest of the hemisphere to encourage Latin American countries to take their share of this humanitarian flow?

Sergio Silva do: The perception by Brazil is a little bit different. Of course, we have 2000 kilometers of frontier, but most of it is the Amazon. Only the Indians cross the frontier in this stretch. Only one seat, which is Pacarema, which received 120000 refugees. But what's interesting is they were documented, they were lodged, they can circulate in the country because they are. But half of them didn't stay in Brazil. Some of them flew to Europe, some of them came back to Venezuela. What we have now is 50000.

In the case of Columbia it's a little bit different because they have an active border over big cross. But I don't know whether these figures are realistic, because I've been talking to Columbian people and they said most of the people who are coming from Venezuela are Columbians. In the last crisis in Venezuela had moved to Venezuela and then are coming back. This doesn't say that this is not serious. It's a serious problem. But it has to be tackled. In the case of Brazil it's not a very big concern, because we have been able to provide assistance to them in the case of Columbia, I don't know exactly what could be done.

Enrique Acevedo: I don't want to keep boring everyone with my questions-

Sergio Silva do: Sure.

Enrique Acevedo: So let's open up the questions to the floor. If you have a question just raise your hand and say who you're with and we'll get the question going.

Cynthia Arnson: We commend all of you for even being here.

Enrique Acevedo: Saturday morning. Over here on the right.

Rob Walker: A little unusual here. Rob Walker, executive director of the forum. I wonder if the three of you would comment on the influence of the other international player, Iran, in the region?

Enrique Acevedo: We're talking about Venezuela?

Rob Walker: Or elsewhere.

Enrique Acevedo: Or elsewhere. Yes. Somebody wanna go ahead?

Cynthia Arnson: I'll take that. During the time of Ahmadinejad in Iran there was a great deal of interest in Latin America in showing that Iran was not isolated on the world stage. And the person who really opened the door for the Iranian government was Hugo Chavez in Venezuela. And there were a number of visits by Ahmadinejad to Bolivia, to Nicaragua, to countries that were seen as ...

Rob Walker: The ALBA countries.

Cynthia Arnson: Basically the ALBA countries. And there was a great deal of concern that Iran was establishing the potential for terrorist cells and for actions against U.S. installations, including embassies in the region. And that was looked into during the Obama administration, and most of the report is classified. And I think the public summary that was made available was that a lot of this threat has been exaggerated. But you also have to remember that Iran did play a role in two of the worst terrorist incidents to take place in modern Latin American history, which were the bombing of the Jewish community center in Buenos Aires and also the bombing of the Israeli embassy in Buenos Aires in 1991 and 1990-

Rob Walker: '91.

Cynthia Arnson: 90-

Rob Walker: '91 and '94.

Enrique Acevedo: Yep.

Cynthia Arnson: '91 and '94. And that resulted in, you know, a great loss of life. The Amia Bombing is still commemorated every year. The anniversary I think just passed July 17th. So it's you know, it is clearly the case that there is an interest in Iran. Now, which the economic crisis within the regime now I think that there has been a certain retrenchment, but that is a general opinion. I don't have access to the classified information that's gathered on the ground of this phenomenon. But I think there was at the time a certain exaggeration of the presence and the capability.

Rob Walker: Another question. And before we get another question, we talked about Iran, but what about Russia and the elections in Latin America? There's at least some accountability with for example, social media platforms like Facebook in the U.S. They can go to congress and testify and say what they're gonna do. We don't have that in Latin America. Right? There's no way to hold those platforms accountable, and of course ...

Sergio Silva do: We are concerned with elections ... We are going to have elections now. Our chief justice for the area in the electoral college came to Washington to learn about the fake news and learn about [inaudible 00:47:15] but I really don't think that the Russians consider elections in Latin America important enough for them to interfere.

Roberta Jacobso: Let me just say one thing about that. Number one, I think it's important to understand that in the recent Mexican elections, U.S. based technology companies, digital platforms, were incredibly active in working with Mexico, with INE, the electoral authority. Microsoft, Amazon, Facebook, and Twitter I think were all working with the Mexicans to try and ... They all had agreements on monitoring and removing, taking down bots and backed sites and others. So I think there actually was engagement on this issue, certainly in Mexico, and an awareness that there was a good deal of penetration by actors who were not with, as they say, malign intent, which were not all Russian. There were others as well. But the second thing I would say is that the notion that Russia or others would not be interested in these elections, I don't know about Brazil, it may be true. There was certainly some interest in Mexico, which was not for Mexico as Mexico, it was Mexico as the U.S.'s geographically closest neighbor, and therefore the concern was, and it wasn't born out which was great, that destabilization in a neighbor of the United States was an attack directed at us, not at Mexico.

Cynthia Arnson: If I could just add, quite apart from elections, Russia has been very involved in Venezuela. There is a geo strategic advantage to Putin to be able to meddle or mess around in what is considered the U.S. near abroad in the same way, or in parallel fashion that the Russians perceive the United States as having meddled in Ukraine. So there is a great value in having the Venezuelan regime survive. The Russian company Rosneft is very active, it's the third largest presence in the Venezuelan oil sector, the U.S. remains the largest. It is providing technical expertise to help the Venezuelans get things out of the ground and it's also provided something like 10 billion dollars in arms over the last decade and a half.

Roberta Jacobso: In a country that's one of the most heavily armed countries in the world, certainly in the hemisphere-

Cynthia Arnson: Right.

Roberta Jacobso: In terms of the amount of guns.

Sergio Silva do: Per capita.

Cynthia Arnson: Sure.

Roberta Jacobso: In both civilian and state hands.

Cynthia Arnson: Exactly. So Russia does play I think a very important role and you know, the real question is whether Venezuela, or excuse me, Russians have the wherewithal to try to keep this regime afloat. And the sense is that they don't really have the money to revert or reverse the course of this economic deterioration, but they may be able to provide just enough shipments of wheat and other forms of

assistance to keep it from bottoming out even further. So they are definitely a force to be reckoned with in that country.

Enrique Acevedo: One last question from the audience? Please. We have a mic on the way.

Speaker 2: Just two points quickly on that Russia point. Are you then, you seem to be implying in the discussion that the motivation for Russia Rosneft, is a broader political motivation near abroad, causing unease to the United States, and that's really what they're seeking to achieve rather than acid acquisition or some longer term objective in Venezuela. That's the first point. The second point is that nobody's mentioned Nicaragua in this discussion. And the particular point here is, you know, given what's going on there, are we seeing that as focused on Nicaragua itself and the regime and so on, or does it have a broader significance within the region and for the U.S.?

Enrique Acevedo: That's an excellent question. And we couldn't leave without talking about Nicaragua.

Sergio Silva do: Yeah. I'd like to talk about Nicaragua coming back to Venezuela again and Russia. I think Russia has a joint political interest to be in an area which is close to the United States. I don't believe they go much farther than that. We have had discussions with the Russians on that issue, and we told them I think you should consider that you are against the wake. Most of Latin America, South America, wants a change in Venezuela. For political and humanitarian reasons. We think you should consider what it would mean for you to be against Latin America. And I think they take that into consideration. And when they did what was the most important economic step recently, in Venezuela, which was the renegotiation of the Venezuela debt. I received a copy of the agreement they made to show they were providing no new money to Venezuela, just rescheduling the existing debt.

But if we consider foreign influences in Venezuela, I think we didn't mention Cuba. Because one way out of the Venezuela situation might be a fracture of the military. There are three ways. One is the fracture within the military. The second one is a financial extra squeeze which may happen, because there are many action in New York, class actions against Venezuela, and if they don't have finances they won't have food. And the third reason is the opposition I have already mentioned. But the Cuban's pay an important role in putting together and unifying the military. They are kind of monitors of the military in Venezuela. And that's an important role that they are playing. I would say that the presence of Cubans is more relevant for Maduro than the importance of the Russians.

Speaker 2: But you very diplomatically avoided Nicaragua.

Sergio Silva do: Sorry. But I'm not familiar.

Enrique Acevedo: No, no, go ahead. Cindy do you want to go ahead?

Cynthia Arnson: Sure. The extent of the uprising against President Daniel Ortega in Nicaragua is something that took pretty much everybody by surprise. The number of deaths in Nicaragua since April is about 70 or 80% higher than the number of deaths in Venezuela, which has seen large scale demonstrations since 2014. So what has been really shocking is the willingness of the San Juanito police to use live ammunition against demonstrators, not only the police but also these paramilitary forces. And there is a sense that through unified pressure, through diplomatic pressure, through economic sanctions, the United States or other Latin American countries have the power to remove a regime. And I think that there's plenty of examples around the world, whether it's Assad in Syria or Kim Jong-un in North Korea, where even when you have people that are deeply repressive towards their own people is not within the ability of the international community to produce regime change. And I think that we are potentially seeing that same scenario in Nicaragua.

The one thing that is not fully understood is the role of the Nicaraguan army. The Nicaraguan army went through a professionalization process when the opposition won the presidential election in 1990, the Oleta Chomordo. And the person who led that process of professionalization was himself a Sandinista Comandante, Humberto Ortega, the brother of the current president. And he led the process of the reduction and professionalization and sort of de-sandinistization of the armed forces. And up until now the armed forces has not played a role in the repression. And really the question is how long they will be willing to sit by and watch Nicaraguan civilians being slaughtered in the streets, inside universities, inside churches, without making a move. So I think that is one piece of the puzzle that we need to pay very close attention to.

Enrique Acevedo: Another part of the question is do you think this will spread to the rest of the region?

Cynthia Arnson: I don't.

Enrique Acevedo: The instability that ...

Roberta Jacobso: I don't. I see Nicaragua as a particular case. The implications for unified action by the hemisphere I think are important. We need to work together on the Nicaraguan Crisis. It is also going to feed into potentially migration issues, which has not been the case in the past. We've not seen fugile migration. But I don't see any, to be honest, after this many decades of Ortega and his rule, I don't see contagion in what's going on in Nicaragua. I think we need to pay attention to it for its own sake.

Enrique Acevedo: So we have like two minutes, one last question from the audience. YOU're here on a Saturday morning, so I just ...

Joe Semidian: Hi, Joe Sam idian from Santa Clara County, and the question is do any of you have thoughts about the effectiveness of the Alliance for Prosperity funding?

Roberta Jacobso: In Central America?

Joe Semidian: Yes.

Roberta Jacobso: Yeah.

Joe Semidian: It's a great project.

Roberta Jacobso: The one thing that I would say is I think the Alliance for Prosperity was an important step in that the ability of Central American countries, in this case the Northern Triangle countries under El Salvador and Guatemala but all of them at any particular point to work together has been incredibly difficult to achieve. These are economies which individually are never gonna be able to do what they want economically to really take off as individual economies, but together have a chance. Which is why there was CAFTADR, the Central America Free Trade Agreement and other efforts. And the Alliance for Prosperity was a response to migration crisis, but the violence in particular and the economic problems in the countries. And that ability of those three countries, whether the same leaders are in power, to work together for common goals with the Inter American Development Bank and the United States and other donors I think was incredibly important.

The question of implementation of its goals and adequate funding to support what those governments and we and the IGB wanted to do I think is still questionable. The jury is still out. And I do think the question was asked the other day of secretary Nielsen that the original project was for the U.S., not as part of the alliance, because we tend not to do things through the multilateral banks, but to be complimentary to it was a proposal for a billion dollars for Central America, with the understanding what ended up being appropriated was 750 million. But with the understanding that that was going to have to be multi year. And we've seen that be reduced at a time when the problems have not yet been solved and we have real interest in continuing to attempt to attack the roots of the problem, which are violence and economic opportunity and not just the symptoms of it which is migration.

So I think it is still a platform we should try and support and move so that we can have the countries working together so that we can look back at what was agreed to and try and hold ourselves and those countries responsible and accountable for the commitments. But I fear that it has lost a huge amount of steam in the last few years.

Enrique Acevedo: And we're out of time. If I just may add that for the last 50 years we've been focusing on immigration and border enforcement. We have over 21 thousand well armed men at the U.S./Mexico border, A 700 mile wall, Drones, ATVs, high tech surveillance equipment. One of the most well guarded regions in the entire world. And we've focused very little resources on mitigating the root causes of emigration. So if we just expect to solve immigration while people show up at

the door instead of fighting the reasons why they are being expelled from their communities, we're gonna be in this for a while without a lot of results.

I just want to thank our panel for their incredible insight, and everyone here today. And the Aspen Security forum for hosting this discussion. Thank you so much.

PART 3 OF 3 ENDS [01:00:57]