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FEATURED Q&A

What Qualities Must a New OAS Secretary General Have?

Q The race to be selected as the next secretary general of the Organization of American States when José Miguel Insulza steps down from that position next May after 10 years and two terms has already kicked off, with Eduardo Stein, a former vice president of Guatemala, and Uruguayan Foreign Minister Luis Almagro the two main candidates after Diego García Sayán of Peru, a judge with the Inter-American Court of Human Rights, withdrew his bid. How is the race shaping up? Where do the candidates stand, and what factors should be considered in selecting a new secretary general? What should the OAS aim to achieve under new leadership?

A John Maisto, member of the Advisor board, director of U.S. Education Finance Group and former U.S. ambassador to the OAS:

"Two truisms about the OAS are 'if it did not exist, it would have to be invented' and the great Colombian Alberto Lleras' from 1948 that 'the OAS will be what the member countries want it to be.' Both are what the 2015 secretary general election is all about. The member states have to decide if they want real leadership, reform and genuine strengthening to make the OAS relevant. Such change could be based on the four pillars of OAS vision as recently agreed-upon—democracy, human rights, integral development and multidimensional security. Real issues under each rubric can and should be addressed. Both current

candidates have action plans to do this work (and so would any other candidate). Key member states, if they develop the political will and smart diplomacy to work with the new secretary general, can, issue by issue, and starting with those that enjoy broad consensus, such as human rights and infrastructure for development and security, show that the OAS can get things done. Change will happen only with bold leadership and risk-taking by a new secretary general who is not merely an employee of the exclusive club of chief executives that the

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Bolivia's Morales Retains Two-Thirds Legislative Majority

Bolivian President Evo Morales retained his two-thirds majority in the country's legislature in balloting earlier this month, election officials announced Wednesday. In the Oct. 12 election, Morales handily won a third term. See story on page 2.

File Photo: Bolivian Government.

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NEWS BRIEFS

Argentine Lawmakers Approve Changes to Hydrocarbon Laws

The lower house of Argentina's Congress approved a revision of the country's hydrocarbon laws 130-116, with one abstention, to regulate shale and offshore oil and gas as the country looks to boost investment in the Vaca Muerta formation, Bloomberg News reported today. The bill, which was previously approved by the Senate, now requires the signature of President Cristina Fernández de Kirchner and publication in the *Official Gazette*.

Brazil's Vale Posts Surprise Loss for Third Quarter

Brazilian mining giant Vale today posted a surprise loss for the third quarter due to a weaker Brazilian currency and lower commodity prices, Bloomberg News reported. Vale reported a loss of \$1.44 billion, or 28 cents per share. That compared to a profit of \$3.5 billion, or 68 cents per share, for the same period last year. Analysts had expected the company to report profit of 32 cents per share, Bloomberg reported, citing the average estimate of nine analysts. A weaker Brazilian real has increased Vale's dollar-denominated debt, the company said.

Scotiabank to Invest \$268 Million in Mexico Over Five Years

Toronto-based Scotiabank said Tuesday in a statement to Mexico's stock exchange that it will invest 3.6 billion pesos (\$268 million) in Mexico over the next five years to improve its operations and expand its distribution network, Bloomberg News reported. Scotiabank, Mexico's seventh largest bank by assets, also said it will increase lending to energy projects up to as much as \$10 billion over the next five years.

Political News

Bolivia's Morales Retains Two-Thirds Legislative Majority

Bolivian President Evo Morales retained his two-thirds majority in the country's legislature, meaning that he will continue to be able to pass legislation with little political opposition, election officials announced Wednesday, Agence France-Presse reported. Morales' allies secured 89 of 130 seats in the lower chamber and 25 of 36 seats in the Senate, according to the Supreme Electoral Council. The

Morales has said he's not planning on running for a fourth term in 2019.

announcement of the official results came more than two weeks after the country's Oct. 12 national elections, in which Morales won a third consecutive term in office. In power since 2006, Morales' new five-year term lasts until January 2020. Morales was re-elected in a landslide, securing 61 percent of the vote, the Associated Press reported. The Bolivian Constitution adopted in 2009 created a

limit of one re-election for sitting presidents, but the country's Supreme Court ruled that Morales was exempt because his first term occurred before the Constitution's adoption. Morales has said that he is not considering running for a fourth term in 2019, but the Constitution could be amended with a two-thirds majority in the legislature. Voters would also have to approve such an amendment. During his presidency, Morales has nationalized several industries, including oil, gas, telecommunications, mining and water, AFP reported. Morales' government also has provided welfare grants for elderly Bolivians, as well as children and pregnant women. Bolivia's first indigenous president, Morales has also worked to empower indigenous and other marginalized groups. Bolivia is expected to see 5 percent growth this year, after experiencing growth of 6.8 percent last year, AFP reported. [Editor's note: See [Q&A](#) on Bolivia's election in the Oct. 14 issue of the *Advisor*.]

U.S. Official Participates in Meeting in Havana on Ebola

A mid-level official of the U.S. Centers for Disease Control and Prevention participated Wednesday during a two-day meeting in Havana on Latin America's response to the Ebola outbreak, the Associated Press reported. The surprise

Featured Q&A

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OAS has become. It would have to be backed by political determination of key member states that provide more than 90 percent of the OAS budget. Of this group, the United States, with deft diplomacy, must be a prime mover, strategist and catalyst. With such new momentum, a bipartisan coalition in Congress could provide badly needed increased funding, particularly if this is all backed by leaders at the Summit of the Americas next April in Panama. A tall diplomatic order, but doable—with political will from the top. Without it, the OAS will be the 'same old' for the foreseeable future."

A Cynthia J. Arns, director of the Latin American Program at the Woodrow Wilson International Center for Scholars: "Both Luis Almagro and Eduardo Stein bring excellent credentials to the race for secretary general. But the real issue is that the hemisphere is divided over the 'place' of the OAS among multilateral fora in the region. It has been decades since the United States, deep in the Cold War, dominated the organization to advance its strategic and geopolitical goals, with Latin American governments for the most part dutifully

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presence of Nelson Arboleda, the Guatemala-based director of the Central American Regional Office of the CDC, was seen as a sign of the two nations' desire to work together to combat the disease. "This is a global emergency, and we all have to work together and cooperate," Arboleda told reporters before the meeting. "We'll make every effort to ensure the quick diagnosis of patients to break the cycle of transmission." The gathering was called by the ALBA bloc, a grouping of left-leaning countries that was formed as



Arboleda

File Photo: CDC.

a counterweight to U.S. influence in the region. Cuba sent at least 256 medical workers to West Africa this month to help fight the outbreak, a move that drew rare praise for Cuba from the United States. U.S. Secretary of State John Kerry and the

U.S. ambassador to the United Nations, Samantha Power, both praised Cuba for sending the medics. Also, Washington's top diplomat in Cuba last week attended a briefing on the disease that Cuba's health and foreign ministries held for the diplomatic corps in Havana. Arboleda said this week's meeting in Cuba would focus on training doctors "in order to ensure an appropriate response to the possible introduction of the Ebola virus in our region." Thirty-two nations sent more than 200 delegates in all to the meeting, said Cuban Health Minister Roberto Morales Ojeda. Canada, Mexico, Brazil and Panama, none of which are members of ALBA, were among those sending representatives. "In the context of so much discussion, public and private, about opportunities for the U.S. to do things in its own interest that involve Cuba directly, there's an irreproachable logic" about U.S. participating in the meeting, Julia Sweig, a Cuba expert at the Council on Foreign Relations, told the AP. "I think it demonstrates a degree of pragmatism and seriousness that is appropriate to the crisis at hand. [Editor's note: See [Q&A](#) on Ebola in Wednesday's Advisor.]

Economic News

Brazil's Central Bank Boosts Interest Rates in Surprise Move

Brazil's central bank on Wednesday boosted the country's benchmark Selic interest rate by a quarter point to 11.25 percent, surprising analysts, Reuters reported. The rate hike was a split decision with five of the bank's eight board members voting to hike the key rate and the other three voting to keep it unchanged. All 43 economists in a Reuters poll earlier this week expected the central bank to keep the Selic on hold at 11 percent. Analysts had expected the bank to hold off on rate changes until newly re-elected President Dilma Rousseff announces policy changes. In a statement accompanying the rate hike,

the central bank said the balance of inflation risks has worsened since policymakers' last interest rate meeting in September. "In light of that, the committee considered it appropriate to adjust

The central bank hiked the benchmark rate in a 5-3 vote.

monetary conditions in order to guarantee, at a lower cost, the prevalence of a more benign inflation outlook in 2015 and 2016," the bank said. Inflation has been at the top end of the central bank's 2.5 percent to 6.5 percent target range.

From the Archives

In case you missed Q&As on trade in past editions of the Advisor...

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falling into line. But this caricature, along with the discourse of U.S. control, serves the interests of those most hostile to the OAS' democracy and human rights mandates—those in the ALBA bloc—who actively sought to gut the Inter-American Commission on Human Rights in the name of reforming its mandate. Perhaps just as uninterested in a vigorous OAS is Brazil, which seeks to exercise leadership in South America through the Union of South American Nations (UNASUR). Some in the U.S. Congress have also been less than helpful, using U.S. financial contributions unilaterally to leverage if not dictate reform. This has further undermined the one regional organization to which the United States still belongs. Much is needed to bolster the OAS' credibility. A new secretary general must 1) streamline the organization's strategic focus (the recent internal process that led to the articulation of 'four pillars' still contains dozens of mandates, not all of which are suited to the organization); 2) expand financial contributions beyond the four countries that currently contribute the lion's share of the budget; 3) reconcile the principle of non-intervention with the defense of the practice of democratic governance; and 4) streamline the OAS' administrative and management structure, putting efficiency and quality in the forefront of OAS operations. Current Secretary General José Miguel Insulza has frequently observed that the OAS reflects the interests of its member states. How many of them would tolerate a shake-up?"

A José R. Cárdenas, associate at Visión Américas: "The next secretary general will face daunting challenges, primarily resulting from the disappointing tenure of Secretary General Insulza, which has left the organization at its nadir in terms of relevance and without solutions to long-standing administrative issues. The new leader must combine energy, creativity and principle to rebuild the organiza-

tion's credibility, as well as tend to needed structural reforms. The candidates thus far, Eduardo Stein of Guatemala and Luis Almagro of Uruguay, would bring different profiles to the job. Stein has led two sensitive OAS missions to Peru and Honduras and will likely appeal to those who note that the venerable organization

“The new leader must combine energy, creativity and principle to rebuild the organization's credibility, as well as tend to needed structural reforms.”

— José R. Cárdenas

has never been led by a representative from Central America or the Caribbean (with the exception of Costa Rica briefly). Almagro, who already has the support of Southern Cone countries, will likely court other diplomatic heavyweights to offset Stein's appeal to smaller countries. Both candidates will likely steer clear of endorsements from the United States and Venezuela for fear of creating a backlash. The OAS is at a critical moment in its history in that it must recover its place as the preeminent regional body. It requires an adept diplomat who can build consensus on difficult issues, but who also has a keen understanding of the inter-American system to accentuate the OAS' positive contributions while mitigating its weaknesses. Lastly, that individual will need to be buttressed by renewed engagement by key member states, including the United States."

The Advisor welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with comments.

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