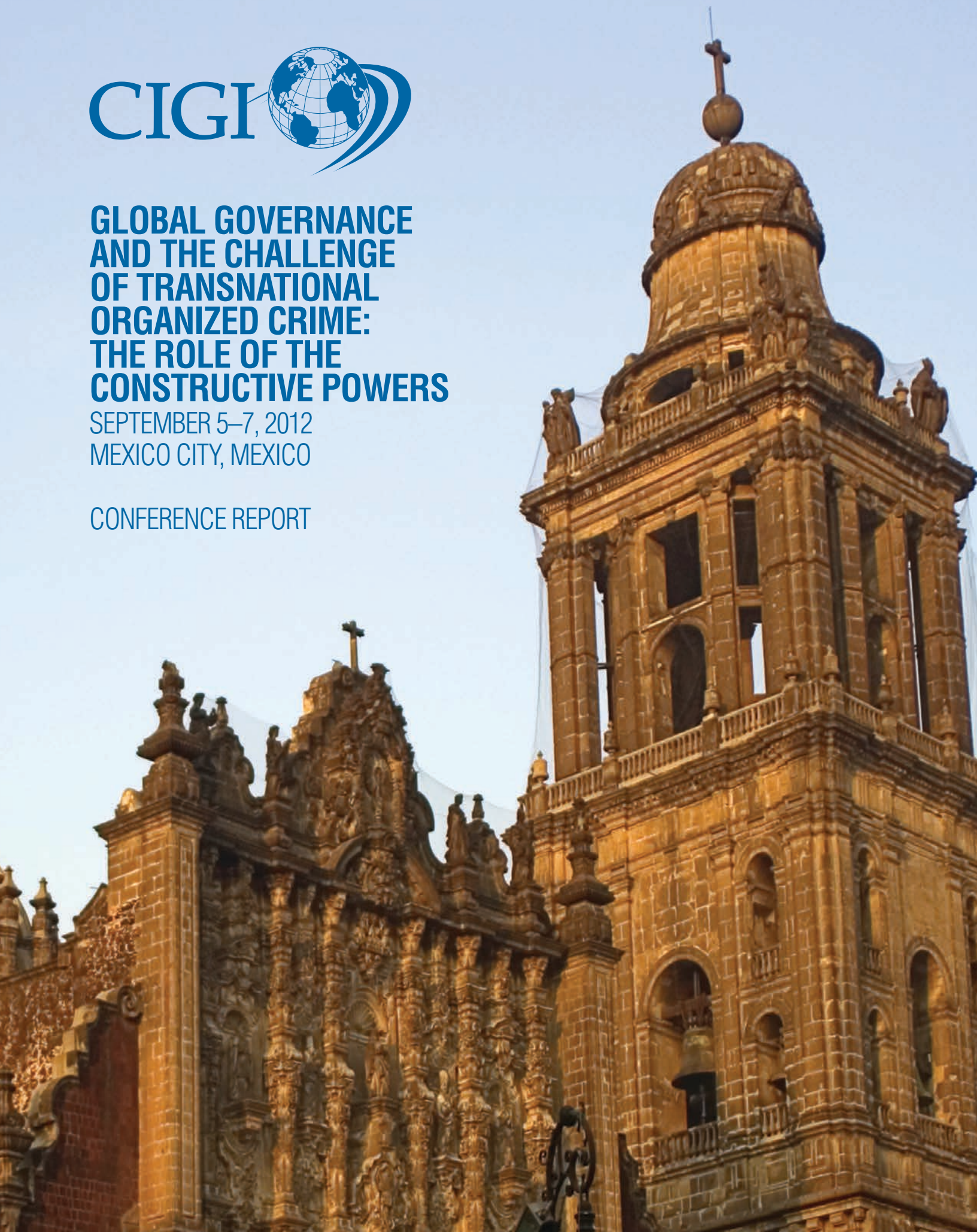




**GLOBAL GOVERNANCE  
AND THE CHALLENGE  
OF TRANSNATIONAL  
ORGANIZED CRIME:  
THE ROLE OF THE  
CONSTRUCTIVE POWERS**

SEPTEMBER 5–7, 2012  
MEXICO CITY, MEXICO

CONFERENCE REPORT





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## EXECUTIVE SUMMARY

The principal findings of the September 2012 Constructive Powers Initiative (CPI) meeting in Mexico City — Global Governance and the Challenge of Transnational Organized Crime: The Role of the Constructive Powers — are as follows:

- **Transnational organized crime (TOC) is becoming a global priority; it is quantitatively and qualitatively different and more serious today than in the past.** The world's illicit markets may be worth as much as 10 percent of gross global product and are no longer confined just to activities such as illegal drug sales or extortion. Transnational criminal networks conduct human smuggling, sex trafficking, gun running, cybercrime, and smuggling of precious metals and other natural resources. Some networks also invest the proceeds of crime in legitimate businesses. Narcotics traffickers have found new customers among the middle classes in the emerging economies of Africa, Asia, Eastern Europe and Latin America. Consequently, TOC harms nearly every country in the world in some way.
- **TOC is more than just a law enforcement problem.** Beyond its direct impacts, modern TOC also undermines governments and national institutions. This can take the form of bribery, corruption and societal intimidation, for example, in Mexico; large-scale violence, for example, in several Central American countries including El Salvador, Guatemala and Honduras; or even civil war, for example, in Afghanistan where insurgents tax opium production.
- **Organized crime is a globalized problem.** Organized criminals take full advantage of globalization and behave like multinational firms. A crime ring might buy precursors for drugs in one country, manufacture those drugs in a second, transport them through a third and sell them in a fourth. Criminal groups pick locations for doing business according to their own cost-benefit analyses. Countries with weak law enforcement capacities, readily corruptible civil services or easily exploitable laws are “cheap” to do business in. Many developing countries fit this bill. Responding effectively to organized crime requires states to look beyond their own borders and cooperate with the countries that are used by organized criminals to spread their business around the world.
- **Policy coordination is necessary, but insufficient. Capacity building is also important.** Because organized crime networks operate like multinational firms, policy responses also need to be multinational. Simple coordination is a necessary but insufficient response, because organized crime seeks out weak states where crime can thrive. States that are home to large criminal networks need outside help in addition to the political will required to address the underlying causes of criminality.
- **Coordination requires leadership and partnerships on supply and demand.** Coordinating anti-crime efforts demands determination, perspicacity and skill. Both producer and consumer states will need to champion the cause in order to get TOC on the agendas of international organizations. At the same time, states that are home to criminal networks need to obtain outside help while retaining control over their internal anti-crime strategies and increasing their own law enforcement and governance capacities. Foreign assistance must meet the needs of recipient states. Creating support for anti-crime initiatives will require action on both sides of the demand and supply equation.

# CONFERENCE REPORT

Rapporteur *Simon Palamar*

## INTRODUCTION

The Centro de Investigación y Docencia Económicas, A.C. (CIDE), The Centre for International Governance Innovation (CIGI) and the Mexican Council on Foreign Relations (COMEXI), with the support of the Friedrich Ebert Stiftung (FES), a German political foundation, hosted a workshop in Mexico City on September 5–7, 2012. The workshop, *Global Governance and the Challenge of Transnational Organized Crime: The Role of the Constructive Powers*, addressed questions surrounding TOC, and policy responses to it.

This workshop was the second meeting of the CPI. CIGI, the Middle East Technical University and Carleton University's Norman Paterson School of International Affairs (NPSIA) held the first CPI meeting in June 2011 in Istanbul, Turkey. The goal of the Istanbul workshop was to identify the most pressing security challenges facing the CPI states, and to ascertain the desirability and viability of increasing policy cooperation on those security challenges. The workshop also examined the significance of the Arab Awakening for Turkey and vice versa.

The premise behind the CPI is that the post-World War II global institutions (embodied by the United Nations Security Council [UNSC] and its permanent members) have struggled to bring peace and order to a changing world. The post-Cold War unipolar moment has given way to an era of “messy multilateralism” (Haass, 2010). There is a clear need for increased policy coordination and cooperation among “constructive powers” on security issues of mutual interest. While inclusive and universal organizations are legitimate and necessary, they are prone to deadlock when the interests of major powers diverge. “Minilateral” coalitions of constructive states can more readily forge consensus and thus bring greater efficiency to the efforts of universal bodies, increasing the latter's effectiveness. Constructive powers in this context are taken to mean democratic, politically influential, economically significant, non-nuclear-armed states with a proven track record of active and creative diplomacy at both the regional and global levels. The constructive powers are Australia, Brazil, Canada, Germany, Indonesia, Japan, the Republic of Korea, Mexico, South Africa, Switzerland and Turkey.

## MEXICO CITY: GLOBAL GOVERNANCE, TRANSNATIONAL ORGANIZED CRIME AND THE CONSTRUCTIVE POWERS

The Mexico City workshop focused on three major themes. First, the CPI members revisited the question about the ability of the world's global governance institutions (and the Group of Twenty [G20] in particular) to handle new and emerging security challenges. Second, the participants assessed differences and similarities among national perspectives on TOC. This meant asking CPI participants several questions, including:

- Is your government concerned about TOC?
- If so, what sort(s) of criminal activity do they consider most pressing?
- Does your government perceive TOC solely as a law enforcement problem, or do they consider it a social problem, an economic problem, a public health and safety problem, or even a threat to national security?
- What concrete policy steps has your government taken to address the problems posed by transnational criminal organizations in your country, and do CPI states need to increase coordination on this issue?

The workshop's last major task was to consider policy responses to TOC. In particular, participants considered whether the world's governance architecture can handle the human and national security challenges posed by international drug trafficking, human smuggling and arms dealing. They also debated how to get TOC onto foreign policy agendas and identified some steps that CPI nations could take to manage their respective transnational crime problems.

### The State of Global Governance and the Role of the Constructive Powers

The workshop opened with a discussion of policy practitioners' perspectives on global governance and whether the current system is up to the task of steering the world through an uncertain future. Berenice Diaz-Ceballos of Mexico's Secretariat of Foreign Affairs led the discussion. Representatives from the Canadian and Turkish foreign ministries also offered their views on emerging policy issues that concern their governments. This first session also discussed the role that groups such as the CPI could play in placing policy issues on national and international policy agendas.

Two chief challenges for foreign policy staffs were identified: the inherent vagaries of prediction and the rapid pace of change. Policy staffs are essentially in the

forecasting business, trying to anticipate the issues their governments are going to find important in the medium-to-long run, developing a deeper understanding of those issues and offering actionable policy advice. This task is made more difficult by the rapid pace of change in the post-Cold War world. New issues emerge and events unfold at a speed that requires policy staffs to regard uncertainty as the new normal.

While participants readily acknowledged that some aspects of the G20 experiment have been quite successful, there were also concerns expressed about the G20's future. On the positive side, the G20 has achieved some necessary reforms in the International Monetary Fund process, as well as innovations in international financial governance, most notably the creation of the Financial Stability Board. Further, the closed-door character of G20 working groups encourages states to discuss issues they might normally avoid and the small size of the group makes it harder to obfuscate or hide behind other states. The pre-Los Cabos meeting of foreign ministers — the only meeting of its size and type in the world — was another worthwhile innovation. Nevertheless, some participants felt that the G20 was not living up to its promise or its possibilities. In particular, the G20 has been unable to successfully intervene in Europe's sovereign debt crisis and US and Chinese leadership has also been less than optimal. More fundamentally, the G20's mission and focus have been nearly exclusively financial, which limits the group's effectiveness. The G20 has fulfilled its role as a fire brigade and prevented the original crisis from burning out of control, but since the crisis was averted, the cooperation needed for global macroeconomic cooperation has been scarce. Further, if the G20 continues to focus on only economics and finance (and only half effectively at that), it risks fading into irrelevance. The G20 has the potential to act as a global steering group on global security issues, but will not evolve if the group continues to take the view that it cannot address security (and other) issues until all the world's economic challenges have been met.

Many participants felt that the CPI has the potential to identify emerging security issues of broad interest. With a membership that overlaps significantly with the G20, the CPI could play a useful role in eventually expanding the G20 agenda. It should be noted that not every CPI member is also a G20 member, and the CPI's membership is not fixed. In fact, the CPI's informal nature encourages "variable geometry" participation. There was general agreement that involving national policy staffs in CPI agenda setting was an effective way of ensuring that the CPI remains relevant to governments. At the same time, members acknowledged that the CPI needs to maintain its independence of thought and research in order to perform a genuinely useful service to its members.

Participants generally agreed on the utility of dedicating part of the CPI's agenda to matters of common interest to policy staffs.

### TOC: An Overview

Mark Shaw, a research associate at the Institute for Security Studies (ISS), Pretoria, began the discussion of TOC by emphasizing three points. The first is that the world is witnessing an unprecedented expansion of illicit markets and activities. Estimates of the size of the world's illicit economy range significantly. At the low end, it may be as small as US\$130 billion, while high-end estimates suggest it is worth 10 percent of global GDP (or approximately US\$7 trillion) (World Bank, 2011). Even if these estimates overstate the size of the world's illegal economy, illicit markets have certainly grown in recent years. The hallmark of the last decade has been the globalization of the world drug trade, meaning both that new parts of the world have become transportation routes for cocaine and heroin (for example, drug traffickers now use West Africa to move cocaine to Europe), and that the growing middle class in countries such as Brazil has created new drug markets. Transnational criminal organizations have also expanded into new lines of business such as financial fraud, human trafficking and supplying commodities such as tropical timber, coltan, tungsten, gold and others to fast-growing emerging economies (Gómez, 2012).

The second point is that this qualitative and quantitative expansion of illicit activity means that TOC is not just a law enforcement problem — it has severe public health consequences, undermines legitimate markets and can pose a tangible threat to public safety and national security. In some cases, the growth of criminal networks occurs lock-step with institutional decline and can actually hurt the process of state development. For example, Mexico's attorney general is investigating three former Tamaulipas governors for alleged links to drug cartels. The corruption of local governments and law enforcement blunts Mexico's federal anti-crime efforts while corroding public confidence in Mexico's public institutions.<sup>1</sup> In Afghanistan, the Taliban and other insurgents tax Afghanistan's opium poppy farmers (a custom known as *zakat*) to pay for arms and fighters. As Afghanistan produces upwards of 90 percent of the world's illicit opiates, global heroin markets directly undermine Afghanistan's state-building efforts (United Nations Office on Drugs and Crime [UNODC], 2007: 1). The Revolutionary Armed Forces of Colombia (FARC)

<sup>1</sup> For example, up to as much as 92 percent of crimes go unreported in Mexico, largely because the population has little faith that the crimes will be investigated or that suspects, if apprehended, will be prosecuted (Instituto Nacional de Estadística y Geografía, 2012: 1).



also blurs the line between political protest and organized crime. FARC taxes coca cultivation and illegal gold mining in its territory, and uses the proceeds to wage war against the government in Bogotá.

Finally, the world's global governance system is starting to take note of transnational crime and the issue may be slowly making its way to the international agenda. While it used to be very difficult to get the UNSC to pay attention to TOC, it now hears expert testimony on the issue and occasionally directly addresses TOC in its resolutions, for example, resolutions on terrorist financing, small arms trafficking and the effects of organized crime on peacebuilding efforts.<sup>2</sup> Despite the fact that TOC is appearing on the global agenda, the multilateral system's ability to take effective action on the issue remains in doubt. The size of the world's illegal economy has likely doubled since the United Nations Convention against Transnational Organized Crime (UNTOC) opened for signature in 2000. While efforts are underway to create an implementation review mechanism for UNTOC, the process has been slow and some states (mainly Russia) are quietly blocking progress on that front.

### TOC: National Perspectives

The workshop then took stock of the CPI states' specific organized crime challenges. Mexico's chief concern, as alluded to earlier, is the Mexican drug cartels' corrosive effect on Mexican society and government. While drug-related violence has killed over 55,000 people since 2006, the cartels have also co-opted local governments and law enforcement officials. In parts of northern Mexico in particular, the cartels have established themselves as part of Mexico's social, economic and political fabrics. In Tamaulipas, as noted, this means that former governors are implicated in the narcotics trade, cartels have captured state institutions (such as the police) and even charge tolls to travellers on the state's highways. While Mexico is by no means a failed state, TOC poses a long-term risk to Mexico's national security. Once drug cartels become established in parts of the country and develop relationships with local governments, they become exceptionally difficult to dislodge through traditional law enforcement efforts.

While the Mexican government is chiefly concerned with drug trafficking, Turkish authorities are concerned with a broader range of organized criminal activity. Turkey's geography poses some unique challenges for Turkish law enforcement officials. Its eight land borders and position between the Middle East and Eastern Europe make

Turkey an attractive route for narcotics trafficking, as well as for gangs engaged in migrant and sex trafficking. The Kurdish separatist movement in Turkey's southeast also complicates affairs, since some Kurdish groups use illegal activities to finance their independence campaign.

Australia, as an island nation, is primarily concerned with human trafficking. Human smuggling in Australia features relatively little sex trafficking. Instead, most of Australia's illegal immigrants are economic migrants, and over 900 have died en route to Australia in the last decade. Since Australia has no land borders, illegal migrants nearly always arrive by sea, making them easy to detect; however, illegal migration still poses some significant challenges for Australia. The smugglers themselves often avoid being apprehended, leaving their victims — the people who are smuggled to Australia — to bear the legal consequences. Australia's chief policy response to the problem — mandatory detention of unlawful migrants — also complicates matters, as critics claim that human rights abuses occur in these detention centres and that Australian policy may run afoul of international refugee law. Australia may spend as much as AU\$10 to \$15 billion each year combatting human smuggling.

A money-laundering market worth AU\$10 billion per year is a second Australian TOC challenge. Although Australia has a comprehensive body of anti-laundering laws, private-sector compliance is weak and it is easy to establish shell companies. This money-laundering industry may also undermine Australia's foreign aid efforts, since as much as one-half of Papua New Guinea's government revenue is stolen and laundered through Australia each year.<sup>3</sup> Other concerns include drug smuggling and distribution, cybercrime and identity theft, and an illegal trade in tropical timber.

Canada is fortunate to suffer much less from TOC compared to some of the other constructive powers. Nevertheless, there are as many as 750 organized criminal groups in Canada, engaging in activities running the gamut from selling illegal drugs to financial fraud and Ponzi schemes, to identity theft, illegal timber harvesting and tobacco smuggling. Although they are concerning, these activities do not appear to pose a significant threat to Canadian society and government. TOC is, however, a pressing foreign policy issue for three reasons. First, the last decade has demonstrated that organized crime, in the right environment, can be a national security threat. In particular, criminal organizations can capture and become de facto governments in areas where

<sup>2</sup> For examples, see UNSC resolutions 1373 (2001), 1456 (2003) and 2065 (2012).

<sup>3</sup> Papua New Guinea is the biggest single recipient of Australian aid, receiving approximately 10 percent of Australia's official development assistance in 2011-2012.

official governments are too weak to act. Combined with the ability to infiltrate government and bribe and buy officials, organized criminal activity has the very real potential to derail fledgling democracies and undo democratic gains in some countries, initiating a vicious cycle where public confidence in public authorities declines, further emboldening criminal actors. The second reason that TOC appears increasingly threatening is that criminal gangs have demonstrated a remarkable ability to innovate and diversify. For example, drug cartels have found new markets in economies like Mexico and Brazil, while also branching out into new lines of business such as human trafficking and legitimate enterprises.<sup>4</sup> Finally, large-scale criminal activity can have a chilling effect on fundamental rights and freedoms. In Mexico, this has taken the form of reporters refusing to report on cartel violence for fear of becoming targets themselves (Engelberg, 2010). In turn, the freedom of speech and flow of public information suffers, reducing citizen engagement and the public willingness to resist. Together, these three dynamics can make organized crime a severe threat to public order and governments in states of interest to Canada.

South Korea's concerns about TOC are largely forward-looking. Travel between South Korea, Japan and China has increased tremendously in recent years, creating opportunities for criminal organizations to grow their operations across the three markets. A small (but disturbing) illegal organ trade has already emerged that brings human organs from China to Korea. South Korea also hosts approximately 20,000 North Korean refugees, and as many as 2,000 new refugees arrive each year. These refugees are socially and economically vulnerable, and are at risk of predation by Chinese human smuggling rings. South Korea is becoming a multi-ethnic society, and is home to over two million foreign-born citizens. Some social prejudices against foreigners remain in South Korea, and unless the government establishes adequate social and economic protections for immigrants, a marginalized immigrant community could create new opportunities for criminal activity. Cooperation between South Korea, Japan and China on TOC is possible. The annual China-Japan-South Korea trilateral summit, which began in 2008, established a permanent secretariat last year, and has several working groups dealing with various trilateral issues. Therefore, the institutional architecture for coordinating the three countries' crime policies already exists. Whether this new institution fulfills its potential will rely in part on

<sup>4</sup> For example, US authorities allege that the Sinaloa Cartel launders drug proceeds acquired in the United States by using that cash to buy goods in the United States, exporting these goods to Mexico and then selling them in women's stores, such as Chika's Accesorios y Cosméticos.

the ability of the three governments to "tone down" volatile nationalist sentiments that have reignited long-standing disputes. China and Japan's recent conflict over the Diaoyu/Senkaku islands is a case in point.

Finally, the Swiss participants offered their perspectives on TOC. Switzerland shares many of the concerns voiced by the other participants. However, due to the importance of the banking sector in Switzerland's economy, Swiss policy makers are particularly focused on money laundering and financial fraud. To deter organized criminal groups from using the Swiss banking system to launder illicit cash, Switzerland now repatriates illegally acquired money held in Swiss bank accounts. The global illegal arms trade is another chief Swiss concern. The proliferation and trafficking of small arms poses a potential international security threat. For example, in the last year, a large number of weapons have left Libya and headed into conflict zones in Mali and Syria. Of particular concern are the hundreds or potentially thousands of man-portable air defence systems (lightweight, shoulder-launched anti-aircraft missiles) that have gone missing from Libya's armouries.

### TOC: Mexico and Central America

The workshop's next session delved more deeply into Mexico and Central America's transnational crime problems. The discussion addressed several aspects of the phenomenon: public perceptions of crime in the region; the relationship between weak governments in Central America and cartel activity in Mexico; and the possibility of regional and continental policy responses to what has become a regional organized crime problem.

### *Public Opinion, Foreign Policy and Organized Crime*

Professor Jorge Schiavon of CIDE presented the findings of "The Americas and the World 2010-2011: Public Opinion and Foreign Policy in Brazil, Colombia, Ecuador, Mexico, and Peru," an ongoing study of public attitudes toward international politics in the Americas that consists of a series of biennial public opinion surveys. The surveys asked respondents to prioritize foreign policy issues their governments should take action on. These potential priorities ranged from traditional national security concerns such as protecting land and sea borders and preventing nuclear weapons proliferation, to newer issues such as environmental protection and attracting foreign direct investment. A large majority of respondents in all five countries (Brazil, Colombia, Ecuador, Mexico and Peru) said that their governments should make fighting drug trafficking and organized

crime a priority.<sup>5</sup> A majority of Colombians, Ecuadorians, Mexicans and Peruvians also strongly support their countries receiving financial aid from the United States to help fight organized crime. More interesting still, majorities or near majorities of respondents who are in favour of receiving financial assistance from the United States are also comfortable with the United States supervising the use of those resources. A majority of Mexican respondents (57 percent) also favoured allowing American agents to operate inside Mexico in exchange for financial assistance. Overall, the survey results point to some promising signs: Latin Americans are concerned about TOC and feel that combatting it should be a national priority. The willingness to allow American help is also encouraging, particularly in Mexico, where 45 percent of respondents still distrust the United States. Ultimately, no country can manage its TOC problem on its own. The very nature of TOC — criminal operations that cross multiple borders, for example, producing drugs in one country, smuggling them through a second and selling them in a third — means that effective policies will require international collaboration. The fact that Latin Americans are open to such collaboration is a hopeful and positive sign.

### *Mexico and Central America*

The discussion then turned to Mexico, Central America and the Caribbean and the manner in which criminal gangs have spread their activities across the region. Gustavo Mohar, Mexico's undersecretary for population, migration and religious affairs, led the session. Mohar emphasized that Mexico's geography makes it an attractive route for smuggling drugs and migrants into the United States. Twelve million people live along the 3,000-km Mexico-US border. The border has 55 legal crossing points and sees around 350 million crossings per year. These huge flows of people mean that the US and Mexican governments cannot completely eliminate drug trafficking and illegal migration at the border. Instead, the goal of both states should be to manage these border problems. Mexico faces similar challenges at its border with Guatemala. The Mexico-Guatemala border is nearly 900 km long, and has only eight legal crossing points, but nearly 400 illegal vehicle and pedestrian crossing points. Given the ineffectiveness of Guatemala's government and law enforcement agencies, the porous Mexico-Guatemala is a key entry point for migrants and drugs into Mexico.

<sup>5</sup> Sixty-six percent of Brazilians, 90 percent of Colombians, 57 percent of Ecuadorians, 75 percent of Mexicans and 78 percent of Peruvian respondents said that fighting drug trafficking and organized crime was "very important."

Mexico's efforts to secure its borders have been somewhat successful. Since 2007, Mexican border authorities have seized over 60,000 vehicles, thousands of guns and hand grenades, and huge amounts of ammunition. Mexico's organized crime problem is ultimately a regional problem, though. If the US drug market was not so lucrative, the incentive for crime would be severely diminished. Likewise, the legacy of the Central American civil wars and the weakness of the region's governments mean that the region is awash with small arms and light weapons, while law enforcement capabilities are inadequate. Mexico is stuck in a nexus of fragile states that are incapable of halting the spread of gangs, guns and drugs, and the world's biggest single narcotics market.

Ambassador Enrique Berruga from COMEXI briefed the workshop on an agreement to implement a hemispheric plan to fight TOC that came out of the Sixth Summit of the Americas. The plan will create two new intergovernmental bodies. The first is the Inter-American Commission on Transnational Organized Crime, which will be a part of the Organization of American States and is intended to address the political challenges of coordinating anti-crime policies. The second initiative is the Coordinating Center against Transnational Organized Crime, which allows prosecutors, law enforcement officials and intelligence services throughout the Western hemisphere to share information and coordinate their activities.

The overarching goal of these two initiatives is to facilitate policy coordination. In the long run, managing TOC will require states to harmonize their laws and practices. For example, some states do not extradite suspects to countries that use the death penalty, while others do not extradite to countries with lenient sentencing or where they believe prosecutions will not occur due to a lack of capacity or corruption. Import controls also need to be better harmonized to disrupt TOC activity. Honduras, for example, has no restrictions on importing methylamine, a methamphetamine precursor, although many states in the region do. This has made Honduras and the Guatemalan borderlands an attractive location for gangs to invest in methamphetamine labs (Fox, 2012). Central American countries also often lack adequate law enforcement personnel and modern penitentiaries, making these states attractive environments for organized crime and underlining the need to better coordinate the resources these states can afford to dedicate to dealing with TOC.

The session ended with two evaluations of Mexico's domestic policy response to its drug cartels. Since 2006, the Mexican government has followed a policy of using federal police and armed forces to directly confront the

cartels. Since the confrontation policy began, Mexico's murder rate has increased from eight to 22 per 100,000 people and drug violence has killed as many as 55,000 people. Professor Jorge Chabat of CIDE suggested that the confrontation policy has largely failed due to Mexico's underlying corruption problem. Since the cartels have infiltrated local and state governments, they have effectively derailed many of Mexico's public institutions. Better policy coordination between Mexico and its Central American neighbours will not fix this problem. Legalizing drug consumption is also a problematic solution. Legalization is not a popular option in the United States, and would also have little effect on extortion, kidnapping and the other criminal activities that some cartels have diversified into. The second critique of Mexico's confrontation policy is that it is unfocused and has done little other than splinter the large cartels into smaller operations. The federal government made two errors according to this critique. First, it underestimated the strength of the cartels and the extent to which they have infiltrated Mexican society. The second mistake was to focus on arrests without bolstering Mexico's judicial system, which is unable to handle the number of cases brought before it.

The discussion of TOC in Mexico and Central America brought several conclusions to the forefront. First, the drug violence in Mexico is quite literally a transnational phenomenon. Drugs flow from the Andean region, through gangs in weak Central American states and into Mexico where they are finally exported to the United States. In return, the United States sends cash and guns to Mexico and Central America, allowing the drug trade to flourish, and creating incentives and the means for violence. Focusing on any one country in the drug supply and distribution chain will not necessarily short circuit the vicious cycle of violence. Second, institutional strength matters. Cash-strapped governments and law enforcement agencies are relatively easy to bribe and corrupt with drug money, and some criminal organizations have combat training and intelligence networks on par with local law enforcement. Third, Central America is quite fragile. While not failed states, El Salvador, Guatemala, Honduras and Nicaragua all score rather poorly in various measures of state

strength.<sup>6</sup> In particular, they are characterized by weak and disorganized security services, many of which were dismantled and reformed after the region's civil wars, but have not been properly rebuilt. Income inequality is also severe in these four countries, creating a ready supply of labour for criminal syndicates. Finally, policy responses to the spread of TOC in Central America have to contend with the fact that because these states are so institutionally weak, outside actors (donors such as the United States and Mexico) often lack competent and credible local partners.

### Policy Responses to TOC

The workshop concluded by discussing how states might better coordinate their anti-crime policies. Ambassador Julián Ventura, Mexico's undersecretary for North America, described the evolution of anti-narcotics cooperation between the United States and Mexico since the 1980s. In the beginning, it was quite sporadic and a strong bureaucratic culture on both sides of the border prevented the two countries from creating a bilateral strategic vision. Typically, only a few million dollars was spent on cooperation each year. By the 1990s, more high-level bilateral activity took place. This continued until Washington indicted and arrested several high-profile Mexican nationals for money laundering without forewarning Mexico City. This sudden and unexpected unilateral US action increased the distrust between the two states and slowed the pace of cooperation. Meanwhile, the United States' effort to close off the Caribbean-Miami drug smuggling route was succeeding. Drug traffickers responded to the closure of the Miami route by smuggling their wares through Central America and Mexico. US policy makers failed to anticipate how the cartels would respond to the closure of the Caribbean route and total drug flows to the United States did not decline dramatically.

The most recent bilateral response to the US-Mexican drug trade is the Mérida Initiative, a security cooperation agreement launched in 2007-2008. Ambassador Ventura emphasized that the Mérida Initiative is unique in that it is probably the most serious drug initiative yet, and

<sup>6</sup> For example, two composite indexes that measure state weakness, the Foreign Policy/Fund for Peace Failed States Index and the Country Indicators for Foreign Policy (CIFP) Fragility Index both place Guatemala, El Salvador, Honduras and Nicaragua toward the middle of their rankings (the Fund for Peace ranks El Salvador ninety-third, Honduras seventy-fifth, Guatemala seventieth and Nicaragua sixty-ninth out of 177 states, while CIFP ranks Nicaragua fifty-eighth, Guatemala seventy-fifth, Honduras seventy-eighth and El Salvador the 121st most fragile out of 197 countries). For the sake of comparison, the Fund for Peace ranked Mali as the seventy-ninth least stable state in the world in 2012, ahead of Honduras, Guatemala and Nicaragua.

that the two states negotiated the deal on a relatively equal footing. The two states created mutually agreed upon implementation benchmarks and the agreement gives both countries ownership of the project. The initiative largely consists of the United States providing Mexico with training for its security services and judicial sector, and a substantial transfer of technology and equipment, including helicopters, fixed-wing aircraft, communications and data-processing hardware, and non-intrusive inspection capabilities for the border. Since the initiative is a government-to-government program, it involves few contractors, intermediaries or third parties. Most of the equipment transferred to Mexico consists of products that are unavailable on the free market due to either legal restrictions on their purchase, or supplier bottlenecks. The total value of assistance to Mexico is approximately US\$1.4 billion.

The initiative has also improved US-Mexican relations in an indirect manner. Absorbing the initiative's aid has proven a challenge for Mexico's bureaucracy, so a bilateral implementation office was created in Mexico, where Mexican and US personnel work alongside each other. This has helped build trust and professional rapport between the two states.

While the Mérida Initiative has been a modest success, this does not mean there are no challenges to enhancing regional cooperation on drug trafficking. The United States' austerity mindset and acrimonious domestic politics make taking decisive action on foreign policy difficult, although so far Washington has refrained from cutting the initiative's budget. Central America's aforementioned institutional weakness also poses a major challenge to expanding the program. Honduras, El Salvador, Nicaragua and Guatemala lack strong systems for vetting security personnel and the expertise to implement new anti-crime strategies, even if donors give them the resources. Corruption and a lack of political will to confront organized crime can also undermine donors' best intentions. Finally, policy efforts that involve outsiders providing money, material or expertise will not work if the recipients do not feel that they have some control over the process. If recipients believe that solutions are being imposed by outsiders, they may balk at new proposals. The Mérida Initiative avoids this pitfall because although the United States plays the role of donor, the deal's terms were fairly negotiated with Mexico City. Mexico is not passively receiving aid; it actively identifies problems and needs and how the United States can help address them.

While this new spirit of cooperation between Mexico and the United States is welcome, it is insufficient to get TOC on the agenda at the United Nations or G20. More than one nation will need to try to put TOC on the agenda in

order to get the G20 to address it. Governments still often see organized crime as a law enforcement problem, and despite the fact that it affects practically every country in some way, few states have identified it as a foreign policy priority. Generating any momentum on this issue will require a number of states with shared interests to make the strategic decision to make coordinating their crime policies a priority. One possible motivation for such a decision is the deteriorating situation in Central America. Honduras, El Salvador and Guatemala have the first-, second- and seventh-highest murder rates in the world, with 82.1, 66 and 41.4 homicides per 100,000 people, respectively (UNODC, 2011: 107). While organized crime is not the only cause of violence in these countries, it does make up a large share: in El Salvador, for example, the number of murders in March 2012 dropped by over half after rival gangs Mara Salvatrucha 13 and Barrio 18 agreed to a truce (Martinez and Luis Sanz, 2012). As long as organized crime thrives in the Central American isthmus, these gangs will continue to smuggle drugs, people and arms into Mexico, and will further undermine the legitimacy of the governments, law enforcement agencies and the courts in these countries. Ignoring the crime problem in these states and the way it fuels violence in Mexico and drug use in the United States (which poses a host of public health challenges) will not make it go away, and increases the impunity of Central America's organized crime networks.

The workshop concluded with a brief assessment of other policy approaches to battling TOC. Turkey, for example, takes a multi-pronged approach to dealing with organized crime. To its home-grown heroin problem, Turkey began to regulate and license poppy cultivation in the 1950s and consolidated the industry in the 1970s. Most Turkish poppy crops now end up in the legitimate analgesic market, rather than the illicit opiate market. To address the flow of drugs through the country, Turkey consults and coordinates naval activities with its Black Sea neighbours and has approximately 90 bilateral agreements with other countries to combat trafficking. Turkey also has a law enforcement training academy that focuses on organized crime and narcotics and has provided training services for over 80 states. Brazil has also taken concrete steps in recent years, with a focus on eliminating public corruption. To this end, Brazil hosted a Transparency International conference from November 7 to 10, 2012 and is a founding member and co-chair of the Open Government Partnership. Brazil also collaborates with Bolivia and Paraguay to eradicate coca crops, is working with the Peruvian government to treat drug addiction and has launched a national strategy to deal with the growth of its domestic crack cocaine market.

Gerald Steininger of the FES concluded the discussion with a briefing on the state of global efforts to prevent

money laundering and terrorist financing. The principal international effort is the Financial Action Task Force (FATF), which sets global standards on anti-money laundering laws and identifies best practices. The FATF has 36 members, including the European Commission and Gulf Cooperation Council. There are two areas where global anti-laundering efforts could be improved. First, states need to better standardize and coordinate their anti-money-laundering laws. Second, non-financial firms need to learn how to better identify suspicious transactions. While banks and other financial firms are getting better at spotting laundering attempts, non-financial firms report very few suspicious transactions. Since organized criminals pick states with weak judicial systems or low law enforcement capacities to set up operations, they may also target industries with low anti-laundering sophistication to clean their illicit income.

## CONCLUSION

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The CPI workshop brought several findings and lessons into focus. The first is that the current geographical breadth, level of sophistication and broad array of markets and activities that transnational organized criminals are involved in is unprecedented. Organized crime is a business that has embraced globalization. It is constantly on the lookout for new markets, new routes to smuggle its products and weak states where it can set up operations. Criminal gangs are remarkably adaptable having learned how to exploit globalization for their own ends, using growing international trade and migration, cheap air travel, modern telecommunications and financial sector innovation, to facilitate their activities.

While the extent and nature may differ from state to state, every country represented at the workshop is concerned about TOC. No one is immune. Nevertheless, overarching policy coordination might be difficult because of the variety of criminality involved. Instead, a more effective approach might be to form coalitions of states facing a similar cluster of criminal activities: North and Central American states, for example, could focus on drug trafficking.

Organized crime has the potential to become a bona fide national security threat. As participants noted time and again, drug cartels are untouchable in parts of Mexico. Cartels have corrupted and co-opted local authorities to the point that local police and justice officials are unable or unwilling to act, and societies are cowed. Civilians get caught in the crossfire and journalists are so intimidated that the drug trade is kept out of the news. The cumulative effect is a pernicious erosion of public confidence in the state.

Outside help can only do so much. While TOC thrives in weak states, it also actively undermines state authority. Criminal organizations routinely bribe police, justice officials and politicians to either turn a blind eye or even to protect their activities. This allows violence to flourish and emboldens criminal actors. While programs such as the Mérida Initiative can help, US aid must be matched with a willing and capable Mexican partner. In states where there are no competent government actors or the political will to tackle the crime problem, all the external aid and policy coordination in the world will not help. TOC sets up in places where it will be relatively immune from prosecution.

The complete elimination of TOC is not realistic. Drug and human trafficking problems are the consequences of demand; in particular, they are often a consequence of foreign demand. For example, in the Mexican case, the country has nearly 4,000 km of borders with the United States and Guatemala and millions of trips are made across those borders every year. Trade is too important to Mexico's economy to create a sealed border capable of catching every smuggling attempt. Further, the problem is globalizing. While the Americas still consume around 60 percent of the world's cocaine, European demand has doubled since 1998, to 30 percent of the global cocaine market, and European cocaine prices are nearly double US prices (Bagley, 2012: 2). Stamping out consumption is probably impossible, and while legalization has been touted as a panacea, its practicability is uncertain, given the varieties and pathologies of the drugs involved. Further, legalizing drugs also only addresses one type of TOC. Fraud, gun running, sex trafficking, extortion, smuggling in precious metals and other forms of TOC would still persist. A more realistic long-run goal might be to manage TOC problems by reducing the risk of harm to the general public. This would mean, for example, prioritizing the suppression of violence against civilians in Mexico over interdicting drugs bound for the United States.

Finally, increasing the profile of TOC on the global policy agenda, whether at the United Nations or G20, will take dedicated policy entrepreneurship and concerted leadership. States tend to view organized crime as simply a law enforcement issue, and are often sensitive about being seen as giving up sovereignty to outsiders. Getting states to take top-level political action and work together on this issue will require policy entrepreneurs to properly frame the policy issues that TOC creates. How best to accomplish this remains unclear, but possibilities include the national security risks TOC poses, the public safety and health effects associated with the narcotics trade, the human security threat posed by smuggling arms and migrants, and the crime and corruption dangers, especially in weak states such

as those in Central America, the Caribbean and West Africa. Strong leadership is required on this issue to make it a policy priority. This will mean actively using diplomacy to create coalitions of states with sufficiently common interests to act together.

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## AFTERWORD

### MEXICO AS A CONSTRUCTIVE POWER

*Carlos Heredia*

Mexico is a country of multiple belongings. It has free trade agreements with 43 countries in the Americas, Europe and the Asia-Pacific region.

Since 1994, it has been part of the North American Free Trade Agreement with Canada and the United States. Its Economic Partnership, Political Coordination and Cooperation Agreement with the European Community came into force in November 2000. Mexico also has trade pacts with Chile, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Iceland, Japan, Israel, Liechtenstein, Nicaragua, Norway, Switzerland and Uruguay.

In addition, Mexico has been one of the member economies of the Asia-Pacific Economic Cooperation forum since 1993, launched the Community of Latin American and Caribbean States (CELAC) in February 2010 and joined the Trans-Pacific Strategic Economic Partnership negotiating rounds in June 2012.

However, Mexico lacks a strategic vision of its place in the world — it is missing a road map to enable it to benefit from its privileged geographical location and the multiplicity of trade partnerships. There are no generally assumed goals about what the country wants to achieve with each bloc, beyond general statements about increasing trade and exports.

Enter the CPI, launched in 2011 on the premise that the existing post-World War II global governance architecture has not kept pace with the changing global order. The format of the CPI is track II, with each country represented by a distinguished current or former diplomatic practitioner and by a prominent academic, as well as by a representative of the foreign ministry or other policy staff. At the inaugural meeting in Istanbul in June 2011, academics and practitioners attended from Australia, Brazil, Canada, Mexico, Indonesia, Japan, the Republic of Korea, Mexico, South Africa, Switzerland and Turkey. Germany joined for the 2012 Mexico City workshop. The process is designed as a kind of partnership between policy planners, researchers and thinkers.

According to Paul Heinbecker, Canada's former permanent representative to the United Nations, "The speed with which the world has moved from bipolar to multi-polar realities and the growing significance of

regional issues has left the existent global governance system struggling to address new challenges. Meanwhile, innovative bodies such as the G20 remain largely focused on international financial reform and macroeconomic coordination. There is a need for increased policy coordination and cooperation among 'constructive powers' on security issues of mutual interest. The CPI is a variable-geometry, like-minded, coalition of the policy willing that includes but is not limited to G20 countries."

The CPI members — the "constructive powers" — are those regarded as being influential politically and significant economically, with a proven track record of proactive and innovative diplomacy at the regional and global levels. The permanent members of the UNSC are not included, nor are nuclear powers, as their participation would likely skew the proceedings.

Again quoting Paul Heinbecker, "Constructive powers need to address the most pressing political and security challenges that are facing their states, and to ascertain the desirability and practicability of increased policy cooperation to meet common security challenges. Cooperation is thus to be issue-based."

Paradox-ridden Mexico gets mixed reviews in the global media. It is widely seen as the country to watch in Latin America, yet domestic productivity growth has been virtually stagnant. Every nation has its big tycoons, but as the 2012 book *Breakout Nations* by Ruchir Sharma puts it, Mexico is owned by them, a factor that hinders effective economic competition and undermines political democracy. The country's crime rate is lower than most Latin American countries, yet drug-related violence has forced many business executives from northeastern Mexico to live in exile north of the border in the United States. President Felipe Calderón launched CELAC; yet South America sees Mexico as too close to the United States and too distant from its Latin neighbours.

The successful host of both COP 16 in Cancún in December 2010 and the G20 leaders' summit in Los Cabos in June 2012, Mexico needs to draw on its experience to lead on a number of issues of regional and global importance.

The CPI offers Mexico a unique opportunity to reflect on issues of common interest to countries that face similar challenges. Brazil and Mexico have yet to explore areas of mutual cooperation involving the two largest Latin American economies. Mexico can benefit from a deeper knowledge of Turkey's experience as a country that straddles two continents with different cultures and religions, and that is exerting a significant influence in the Middle East in the wake of the Arab Spring. The Australian and Indonesian experiences of doing business



with the People's Republic of China can provide valuable lessons for Mexico. As a bridge between North America and Latin America, Mexico could and should become the driving force for a regional agreement on a combined effort to fight transnational organized crime involving all nations in the Americas.

In twenty-first-century multilateralism, it is increasingly companies, universities, think tanks and civil society organizations that come up with ways to transform a country's position in the world. Mexico needs to step forward, both in terms of substance and of process, if it is to become and stay influential. In order to enjoy its share of global power, Mexico must assume its share of the burden of global responsibilities. Its citizens and the rest of the world expect no less than that.

Mexico City, October 30, 2012

## CONFERENCE AGENDA

### WEDNESDAY, SEPTEMBER 5, 2012

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Foreign Ministry, 3rd floor, José Gorostiza room

4:00 p.m. Welcome by Carlos Heredia (Chair)

4:10 p.m. Introduction to the Conference

- Follow-up to the Istanbul June 2011 CPI conference (Paul Heinbecker)
- Report on the June 2012 Los Cabos G20 Summit: To what extent do the topics in our conference relate to the work of the G20 leaders? (Andrés Rozental)

4:30 p.m.–6:45 p.m. Global Economic Crisis and Governance Discussion

- This session will invite the participation of staff from each country's Foreign Affairs policy planning office, or president/prime minister's office. The priorities of governments on international security and policy planning will be discussed, with the goal of establishing a common agenda and a forum in which policy planners can come together.
- Prepared presentation by Vincent Klassen, Department of Foreign Affairs and International Trade (DFAIT) Canada
- Remarks by Berenice Díaz Ceballos, Mexican G20 Sous-Sherpa
- Remarks by Ambassador Ali Ahmet Acet, Turkish ambassador to Mexico

7:00 p.m. Adjourn (free evening)

### THURSDAY, SEPTEMBER 6, 2012

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Breakfast at hotel

Foreign Ministry, 3rd floor, José Gorostiza room

9:00–10:45 a.m. Chair: Andrés Rozental

- General discussion on global transnational organized crime as a G20 issue; national viewpoints; global transnational organized crime/integrity of financial markets for the upcoming G20 summits (Russia 2013, Australia 2014 and Turkey 2015); and taking stock of transnational organized crime from each country's point of view.
- Prepared remarks by Mark Shaw, research associate at the Institute for Security Studies, Pretoria
- Participants asked to address the top two or three regional or transnational organized crime challenges that concern their governments

10:45–11:00 a.m. Health break

11:00 a.m.–12:00 p.m. Chair: Carlos Heredia

- General discussion of transnational organized crime in North America, Central America and the Caribbean
- Prepared presentation by Jorge Schiavon (CIDE) on the survey “Mexico, the Americas and the World — Foreign Policy: Public Opinion and Leaders.” This survey is unique in Mexico and Latin America for its focus on the social conditions that inform attitudes toward international affairs, as well as its broad coverage of themes (including security issues).
- Q & A

12:00–1:45 p.m. Chair: Andrés Rozental

- General discussion of transnational organized crime in North America, Central America and the Caribbean
- Prepared presentation by Gustavo Mohar, undersecretary for population and migration affairs, Mexican Ministry of Political Affairs
- Remarks by Ambassador Enrique Berruga, president of COMEXI, focusing on the Sixth Summit of the Americas

Discussants: Jorge Chabat (CIDE) and Eduardo Guerrero, expert

- General discussion: How was this issue addressed at the Sixth Summit of the Americas, held in Cartagena, Colombia, on April 14-15, 2012? Is there any commonality to the way different countries view key regional and global transnational organized crime challenges?

2:00–3:30 p.m. Luncheon Offered by Carlos A. Heredia, Chair and Professor, Department of International Studies, CIDE, to the Participants in the CPI Workshop

3:45–5:15 p.m. Chair: Fen Hampson

- General discussion — prospects for cooperation vs. transnational organized crime
- Prepared presentation by Ambassador Julián Ventura, vice-minister for North American affairs, Mexican Ministry of Foreign Affairs
- Prepared presentation by Gerald Steininger, adviser to the Social-Democratic Finance Working Group, German Federal Parliament, Berlin

Discussants: Rafet Akgünay and Jorge Chabat

- General discussion: What independent or cooperative initiatives has your country taken to address transnational crime challenges? Is there scope for greater cooperation among participating countries and other interested parties on these challenges, including, for example, foreign policy ministry planning staff participation in a track II capacity? If so, what are the most effective ways of promoting such cooperation at official and unofficial levels?

5:15–5:30 p.m. Health break

5:30–6:00 p.m. Co-Chairs: Andrés Rozental, Fen Osler Hampson and Paul Heinbecker

- Views of participants on a possible agenda/venue for next meeting

6:00 p.m. Free time

Foreign Ministry, Morelos Room, Section D, 1st floor

8:00 p.m. Dinner offered by Ambassador Julián Ventura, vice-minister for North American Affairs, Mexican Ministry of Foreign Affairs to participants in the workshop

9:30 p.m. Adjourn

## **FRIDAY, SEPTEMBER 7, 2012**

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Hilton Mexico City Reforma, Room Don Diego II, 2nd floor

8:00 a.m. Chair: Carlos Heredia

- Breakfast meeting with members of COMEXI to discuss salient points of the workshop

Discussants: Rafet Akgünay, Paul Heinbecker and Mark Shaw

9:45 a.m. End of the meeting and departure from Mexico City

## PARTICIPANT BIOGRAPHIES

### Rafet Akgünay

Rafet Akgünay is a retired ambassador from the Turkish Foreign Ministry. After joining the foreign service, he served in Nicosia, Tel Aviv and Athens. He was senior Turkish representative and faculty adviser at NATO Defense College in Rome and deputy chief mission at the Turkish Embassy in Washington, DC. In 2000, he was appointed to Beijing as the Turkish ambassador, where he stayed for four years. He was ambassador to Canada from 2008 to 2012. While with the ministry in Ankara, Mr. Akgünay served with different capacities at the Cyprus-Greece and International Security Affairs departments. He was also deputy director general for policy planning. Among other responsibilities, he served as chief of cabinet to the president (1998–2000), senior foreign policy adviser to the prime minister (2004–2005) and deputy undersecretary in charge of multilateral affairs (2006–2008). After his retirement from the foreign service in August 2012, he joined the Middle East Technical University, North Cyprus Campus as instructor.

Bachelor's degree in science and Ph.D. from the Middle East Technical University, Ankara; master's degree from the Fletcher School of Law and Diplomacy.

### Enrique Berruga

Enrique Berruga Filloy is president of COMEXI. He previously served as vice president for corporate affairs at Grupo Modelo. In his diplomatic career, Ambassador Berruga was permanent representative of Mexico to the United Nations, ambassador of Mexico to Costa Rica and special representative of the president of Mexico for the UN reform process. Additionally, he set up the Mexican Embassy in Ireland, and also worked at Mexico's embassies to the United States and the United Kingdom. At the Mexican Ministry of Foreign Affairs, he served as vice-minister of foreign affairs. Additionally, he was named as secretary general of the Mexican commission for the United Nations Educational, Scientific and Cultural Organization. He was also executive director of the Mexican Institute of International Cooperation and director general of international relations at the Mexican Ministry of Education. Ambassador Berruga is the author of numerous books and articles, most recently *Propiedad Ajena*, which was made into a movie. He has also been professor at Instituto Tecnológico Autónomo de México (ITAM) and a Fulbright Scholar.

### Claudia Calvin

Claudia Calvin is executive director of COMEXI and the founder of *Mujeres Construyendo*, the first platform for women bloggers in Latin America. Throughout her career in the public sector, she served as the general director of international activities and gender, as well as the general deputy director of information at the Mexican presidency. In addition, she served as the director of national information on the transition team of president-elect Vicente Fox. Ms. Calvin also served also as adviser to the Government of Mexico City, the Interior Ministry and the Senate. In the private sector, she carried out consulting activities for WWF Mexico, the World Bank's Environmental Management and Decentralization Project (PROMAD) and ERI Consultants in Regional and International Economies. She also worked as a correspondent for *The Miami Herald* and *Los Angeles Times* in Mexico. She has lectured at Universidad Iberoamericana, Universidad Autónoma de Querétaro, Universidad de las Américas and ITAM. She has also been a visiting researcher at Georgetown University.

Bachelor's degree in international relations from Universidad Nacional Autónoma de México (UNAM); master's degree in international journalism, University of Southern California; and Ph.D. in social sciences with specialization in political science from Facultad Latinoamericana de Ciencias Sociales (FLACSO) Mexico City.

### Ernesto Céspedes

Ernesto Céspedes is the director general for global issues at the Mexican Ministry of Foreign Affairs, where he oversees Mexico's multilateral foreign policy on environmental issues, drug trafficking and organized crime, terrorism, migration, health and refugees. He is a member of the Mexican Foreign Service, holding the rank of Ambassador of Mexico. Mr. Céspedes occupied different responsibilities in the Chancery and in the representations of Mexico in Frankfurt, Germany; San Francisco, California and the Mexican Embassy in Washington, DC. He also served as consul general of Mexico in Guangdong, China and served as officer in the Organisation for Economic Co-operation and Development (OECD), as well as in DFAIT in Canada, under the diplomatic exchange program between Canada and Mexico.

Bachelor's degree in economics from ITAM; master's degree in international public policy, Johns Hopkins University; master's degree in national security and defence from the University of the Army and Air Force, Mexico City.

## Jorge Chabat

Jorge Chabat is research professor at CIDE. In the same institution, he served as director of the division of international studies and director of the program for the study of Mexico's international relations. Throughout his academic career, he has taught in several institutions such as Universidad Iberoamericana, Universidad Autónoma Metropolitana, ITAM, National School of Professional Studies and Matías Romero Institute of Diplomatic Studies. Mr. Chabat is a member of the editorial board of the following journals: *Journal of Foreign Policy*, *Journal of Political and Social Science* and *International Relations*. He is also a columnist for *El Universal* and Televisa News with Joaquin Lopez Doriga.

Bachelor's degree in international relations, El Colegio de México; master's degree and Ph.D. in international affairs, University of Miami.

## Berenice Díaz Ceballos

Berenice Díaz Ceballos is the chief of staff to the vice minister of foreign affairs, the area that has the responsibility of overseeing Mexico's bilateral relations with countries in Africa, the Asia-Pacific region, the Middle East and Europe. In 2007, she was designated as Mexican Sous-Sherpa for the outreach dialogue with the Group of Eight (G8). She is currently the Mexican Sous-Sherpa for the G20. In the Mexican Ministry of Foreign Affairs, she has worked as an analyst at the Director-General (DG) for the United Nations, chief of the Human Rights Department, assistant director for Human Rights and Social Affairs, and as director for political, social and humanitarian affairs. Ms. Díaz Ceballos also worked as deputy DG for global affairs, the area responsible for coordinating Mexican international policy on gender equality, human rights of persons with disabilities, environment and natural resources, sustainable development, drugs control, the fight against corruption and crime prevention issues. She has participated in many events, international conferences and formal and informal groups as a member of the Mexican delegation.

Bachelor's degree in international relations, Universidad Iberoamericana.

## Eduardo Guerrero

Eduardo Guerrero is the founder of Lantia Consultants. He previously served as executive director for the Professional Electoral Service and chief of staff to the president of the Federal Electoral Institute (IFE). He has also served as director general of studies and international relations in the Federal Institute for Access to Public Information (IFAI), director general for social

organizations in the Ministry of Social Development, adviser in the Center for Research and National Security (CISEN) and deputy director of public policy at the Technical Secretariat of the Economic Cabinet of the Presidency. Mr. Guerrero has been professor and researcher at El Colegio de México and the Center for Interdisciplinary Research in Humanities in the UNAM. He is the author of several academic publications on topics such as transparency, public administration and security in Mexico.

Bachelor's degree in public administration, El Colegio de México; master's degree in political science, University of Delaware; master's degree and Ph.D. in political science, University of Chicago.

## Fen Osler Hampson

Fen Hampson is a distinguished fellow and director of the Global Security Program at CIGI, overseeing the research direction of the program and related activities. Most recently, he was the director of NPSIA and will continue to serve as chancellor's professor at Carleton University. He is a senior adviser to the United States Institute of Peace (USIP) and has been a consultant to the International Peace Academy and the Social Science Research Council in New York, the United Nations Commission on Human Security, the Rockefeller Foundation, the Carnegie Endowment for International Peace, the MacArthur Foundation and the International Development Centre and Foreign Affairs Canada. He is a member of the board of directors of the Pearson Peacekeeping Centre, the Parliamentary Centre and the Social Science Foundation Board at the University of Denver. Mr. Hampson served as Chair of the Human Security Track of the Helsinki Process on Globalization and Democracy, a joint initiative of the governments of Finland and Tanzania. He has been a fellow at the Belfer Center for Science and International Affairs at the John F. Kennedy School of Government at Harvard.

Master's degree in economics, London School of Economics; Ph.D., Harvard University.

## Paul Heinbecker

A distinguished fellow at CIGI, Paul Heinbecker is a former career diplomat with assignments in Ankara, Stockholm, Paris (at the OECD) and Washington. He served as Canada's ambassador to Germany and as permanent representative of Canada to the United Nations, 2000–2003, where he represented Canada on the Security Council. He was also Prime Minister Brian Mulroney's chief foreign policy adviser. He served as assistant deputy minister of global and security policy in the Department of Foreign Affairs, where he led the

development of Canada's human security agenda, and headed the Canadian delegation to the UN Climate Change negotiations in Kyoto. As G8 political director, he helped to negotiate the UN resolution that ended the war in Kosovo.

### Carlos A. Heredia

Carlos Heredia is chair and professor of the Department of International Studies at CIDE in Mexico City. He served as a member of Mexico's 57th Congress (1997–2000). He is a founding member (2001) of COMEXI, and serves on the advisory council of the Mexico Institute at the Woodrow Wilson International Center for Scholars in Washington, DC. Mr. Heredia also served in senior positions at the Mexican Ministry of Finance and the state governments of Michoacán and Mexico City. His most recent publication is "The Canada-Mexico Relationship in a Latin American and Transpacific Configuration," in *Canada Among Nations 2011-2012: Canada and Mexico's Unfinished Agenda* (McGill-Queen's University Press, 2012).

Bachelor's degree in economics, ITAM; master's degree in economics, McGill University.

### Francine Jácome

Francine Jácome is coordinator of the Venezuela Working Group in the FES's Regional Security Cooperation Program. She has published extensively on security and defence issues both in Venezuela ([www.ildis.org.ve](http://www.ildis.org.ve)) and in Latin America, including policy papers and chapters in the 2009, 2010 and 2011 *Regional Security in Latin America and the Caribbean Yearbook* ([www.seguridadregional-fes.org](http://www.seguridadregional-fes.org)). Ms. Jácome is currently coordinating research projects related to cooperation for regional security in South America, monitoring of the Summit of the Americas mandates in 23 Latin American and Caribbean countries, violent conflict prevention in Venezuela and political reform and social movements in the Andean region.

### Aleksius Jemadu

Aleksius Jemadu is the dean of the School of Social and Political Sciences at the Universitas Pelita Harapan in Jakarta, Indonesia.

### Vincent Klassen

Vincent Klassen is deputy director of policy research at Canada's DFAIT since 2011, responsible for the department's policy research agenda. He has served as economic counsellor in the Canadian Embassy in Berlin

and policy coordinator for Europe for the department's bilateral relations branch.

### Dong Hwi Lee

Dong Hwi Lee is professor at the Korea National Diplomatic Academy's Institute of Foreign Affairs and National Security (IFANS). He was a dean of research at IFANS with a deputy ministerial rank from 2000 to 2004. Mr. Hwi Lee also was a senior associate to the Korea chair at the Center for Strategic and International Studies (CSIS) in Washington, DC and a senior visiting scholar with the G8 and G20 Research Groups of Trinity College in the University of Toronto's Munk School of Global Affairs. His research interests include the political economy of East Asia, with special focus on North Korea and China, global governance, regional cooperation and analysis of international negotiation. Recently, he has written numerous articles such as "Global Security and the Korean Peninsula" (*The 2011 G8 Deauville Summit: New World, New Ideas*), "G20 Seoul Summit: Assessment and Future Prospects" (*Korea Focus*, January 2011), "From Toronto to Seoul: Evolution of the G20 Process" (*Studia Diplomatica*, vol. 63, 2010), "The Political-Security Context for the Seoul Summit" (*The G20 Seoul Summit 2010: Shared Growth Beyond Crisis*) and "A Nuclear-Free World and Korea" (*G8 & G20: The 2010 Canadian Summits*).

Bachelor's degree in economics from Seoul National University; Ph.D. in political science from Northwestern University.

### Gustavo Mohar

Gustavo Mohar is the undersecretary for population, migration, and religious affairs of the Mexican Ministry of the Interior. Previously, he served as secretary general and director of CISEN of the Government of Mexico. In the Ministry of Foreign Affairs, Mr. Mohar served as director general of protection and consular affairs and as chief negotiator for international migration. At Mexico's Embassy in the United States, he served as representative of the Ministry of the Interior responsible for migration affairs and as minister for political affairs and relations with the US Congress. Also, he was PEMEX's (Petróleos Mexicanos) representative for commercial operations in Europe and observer to the Organization of Petroleum Exporting Countries (OPEC). In the Ministry of Finance, he worked as director general of international financial affairs, and he was in charge of overseeing the operation of Mexico's development banks. In addition, he has been representative for immigrant affairs at the OECD and a consultant with GEA Group.

Bachelor's degree, Universidad Iberoamericana.

## Takeshi Nakamura

Takeshi Nakamura registered as a licensed attorney in Japan in October 2002. He is regarded as one of only a few experts on issues related to the *yakuza* (also known as *bouryokudan*), which are organized criminal groups. He has been a member of the Anti-Yakuza Task Force of the Tokyo Bar Association. He and other plaintiff attorneys made a claim against the top leader of Sumiyoshikai, the second-largest *yakuza* group in Japan, and they won the case (Tokyo District Court Judgment, September 20, 2007; Hanrei Jiho 2000).

Master's degree in law, Waseda University.

## Simon Palamar

Simon Palamar is a research fellow with CIGI's Global Security Program and a Ph.D. candidate at NPSIA, Carleton University.

## John Ravenhill

John Ravenhill is professor and head of the School of Politics and International Relations, Research School of Social Sciences, Australian National University (ANU). He co-directs the ANU's MacArthur Foundation Asia Security Initiative project. After obtaining his Ph.D. at the University of California, Berkeley, he taught at the University of Virginia and the University of Sydney before joining ANU in 1990. In 2000, he took up the chair of politics at the University of Edinburgh for four years. His work has appeared in most of the leading journals of international relations. He was the founding editor of the Cambridge University Press book series, Cambridge Asia-Pacific Studies. He is a fellow of the Academy of Social Sciences in Australia.

## Andrés Rozental

Andrés Rozental is a member of CIGI's Operating Board of Directors and International Board of Governors. He was a career diplomat for more than 35 years, having served his country as deputy foreign minister (1988–1994), ambassador to the United Kingdom (1995–1997), ambassador to Sweden (1983–1988) and permanent representative of Mexico to the United Nations in Geneva (1982–1983). Since 1994, he holds the lifetime rank of Eminent Ambassador of Mexico. In 2002, he was named founding president of COMEXI, where he served until the end of 2006. Ambassador Rozental established Rozental & Asociados, a specialized niche consultancy providing political and economic advice to Mexican and foreign multinational companies. Today he is chairman of the board of ArcelorMittal Mexico and an independent board member of ArcelorMittal Brazil, Wilson Sons

(Brazil) and Ocean Wilson Holdings (Bermuda). He is a member of the strategic advisory board of EADS Mexico and of the advisory council of Kansas City Southern de México. During 2000 and 2001 he was a roving ambassador and special envoy for President Vicente Fox. In 2006, he was a member of president-elect Felipe Calderón's Advisory Council on Foreign Policy. Since 2007, he is a senior nonresident fellow at The Brookings Institution in Washington, DC and a senior policy adviser to Chatham House in London. Andrés Rozental obtained his professional degree in international relations from the Universidad de las Américas in Mexico and his master's in international economics from the University of Pennsylvania. He also did postgraduate studies at the University of Bordeaux in France.

## Ronaldo Sardenberg

Rolando Sardenberg is a distinguished scholar. He joined the Brazilian Foreign Service in 1964. He was ambassador of Brazil in the Soviet Union and in Spain. He was also representative of Brazil at the UNSC and president of the UNSC. He was twice Brazil's permanent representative to the United Nations. He also served as minister of science and technology of Brazil, minister for special projects and secretary for strategic affairs of the presidency. He recently retired from the Brazilian Foreign Service. He is a member of the Latin America and Caribbean Leaders Network for Nuclear Disarmament and Non-proliferation.

## Jorge A. Schiavon

Jorge Schiavon is research professor at the CIDE. He has served as secretary general and director of the liaison office and development as well as director of the bachelor's program on political science and international relations at the same institution. Mr. Schiavon has taught 45 courses at the undergraduate level. He is currently the president of the Mexican Association of International Studies (AMEI).

Bachelor's degree in international relations, El Colegio de Mexico; master's degree in political science and Ph.D. candidate, University of California San Diego.

## Mark Shaw

Mark Shaw is currently director of communities, crime and conflicts at STATT Consulting, Hong Kong, and senior research associate at the ISS, Pretoria. He is engaged in conducting organized crime threat assessments in several countries. He previously worked for 10 years at UNODC, including as inter-regional adviser, chief of the criminal justice reform unit and with the Global Programme against Transnational



Organized Crime, with extensive field work in fragile and post-conflict states. Mr. Shaw has held a number of other positions in government and civil society, including director of monitoring and analysis in the national Ministry for Safety and Security, head of the Crime and Police Programme at the ISS in Pretoria, Ford Foundation senior fellow on justice in transition at the South African Institute of International Affairs, USIP researcher on local conflicts at the Centre for Policy Studies, Johannesburg; adviser to the provincial safety minister for Gauteng; and as a violence monitor for the National Peace Secretariat during the transition to democracy. Mark chaired the Committee of Inquiry on Police Reform in South Africa and was the chief drafter of the government's 1998 White Paper on Safety and Security. He has published widely on peace, security and justice reform issues.

Ph.D., University of the Witwatersrand, Johannesburg.

### Yoshihide Soeya

Yoshihide Soeya is professor of political science and international relations at Keio University's Faculty of Law. He also serves as the director of the Institute of East Asian Studies of the same university. His areas of interest are politics and security in East Asia, Japanese diplomacy and its external relations in the region and the world. Mr. Soeya currently serves on the board of directors of the Japan Association of International Studies, and is a member of the advisory group of the Ministry of Foreign Affairs, and the International Council of the Asia Society in New York. In 1999-2000 he served as a member of the Prime Minister's Commission on Japan's Goals in the 21st Century, and in 2010, as a member of the Council on Security and Defense Capabilities in the New Era in the prime minister's office. His recent publications in English include "A 'Normal' Middle Power: Interpreting Changes in Japanese Security Policy in the 1990s and After," in Yoshihide Soeya, et al., eds, *Japan as a 'Normal Country'?: A Country in Search of its Place in the World* (Toronto: University of Toronto Press, 2011); and "Japanese Domestic Politics and Security Cooperation in Northeast Asia," Council on Foreign Relations (December 2009).

Ph.D. from the University of Michigan in 1987, majoring in world politics.

### Gerald Steininger

Gerald Steininger is an adviser of the Federal Ministry of Finance of the Federal Republic of Germany and assistant to the parliamentary group of the Social Democratic Party for financial policy.

Bachelor's degree in administrative studies, University of Konstanz.

### Alexandra Stephenson

Alexandra Stephenson is the executive assistant to David Dewitt, Vice President of Programs at CIGI, and Fen Osler Hampson, Director of the Global Security Program at CIGI.

### Jürg Streuli

Jürg Streuli joined the Swiss Diplomatic Service in 1973, and he was promoted to ambassador in 1989. He served as ambassador of Switzerland in Denmark; Cameroon, with concurrent accreditation in Gabon; Chad; Equatorial Guinea and Sao Tomé; Singapore, with concurrent accreditation in Brunei; and Lebanon, with concurrent accreditation in Cyprus. He was ambassador for disarmament and permanent representative of Switzerland to the Conference on Disarmament in Geneva, 2005–2010. Since 2011, he is associate fellow of the Geneva Center on Security Policy and president of the Swiss Foundation for Mine Action.

Bachelor's degree in economics, University of Bern.

### Julián Ventura

Julián Ventura is vice-minister for North American Affairs at the Mexican Ministry of Foreign Affairs. Throughout his career in the Mexican Foreign Service, he has served as deputy chief of mission at Mexico's Embassy in United States, alternate representative in the Mexican Permanent Mission to the Organization of American States, political affairs officer of the Inter-American Drug Abuse Control Commission, political affairs officer at Mexico's Embassy in Cuba and alternate representative in the Mexican Permanent Mission to the International Organizations in Vienna. At the Ministry of Foreign Affairs, he has held the positions of general director for Asia-Pacific and adviser for the minister of foreign affairs.

Bachelor's degree in history, University of British Columbia.

### Zirahuen Villamar

Zirahuen Villamar is the coordinator of International Economic Dialogue in the FES Mexico. He has lectured at UNAM's Faculty of Economics. He is a global governance specialist at the German Development Institute (DIE).

Bachelor's degree in economics, UNAM; master's degree in international relations, UNAM.

## David A. Welch

David Welch is CIGI chair of global security and director of the Balsillie School of International Affairs. His 2005 book *Painful Choices: A Theory of Foreign Policy Change* (Princeton University Press) is the inaugural winner of the International Studies Association ISSS Book, and his 1993 book *Justice and the Genesis of War* (Cambridge University Press) is the winner of the 1994 Edgar S. Furniss Award for an Outstanding Contribution to National

Security Studies. He is the author of *Decisions, Decisions: The Art of Effective Decision-Making* (Prometheus, 2001), and co-author of *Vietnam if Kennedy had Lived: Virtual JFK* (Rowman & Littlefield, 2009). He is co-editor of *Intelligence and the Cuban Missile Crisis* (Frank Cass, 1998), and his articles have appeared in specialized journals including *Asian Perspective*, *Ethics and International Affairs*, *Foreign Affairs* and *The Georgetown Journal of International Affairs*.

He received his Ph.D. from Harvard University in 1990.



Front row, left to right: Francine Jácome, Raden Sakunto Paksi (Indonesian Embassy), Ernesto Céspedes, Ronaldo Sardenberg, Enrique Berruga, Paul Heinbecker, Andrés Rozental, Carlos Heredia, Fen Hampson, Dong Hwi Lee, Rafet Akgünay, Jürg Streuli. Back row, left to right: Takeshi Nakamura, Gerald Steininger, Benjamin Reneichenbach (FES), Mark Shaw, Zirahuen Villamar, Larissa Lacombe (Brazilian Embassy), Claudia Calvin, Jorge Chabat, Jorge Schiavon, John Ravenhill, David Welch, Mathias Musy (Swiss Embassy), Eduardo Guerrero, Blair Bobyk (Canadian Embassy), Alexandra Stephenson, Simon Palamar.

## ABOUT CIGI

The Centre for International Governance Innovation is an independent, non-partisan think tank on international governance. Led by experienced practitioners and distinguished academics, CIGI supports research, forms networks, advances policy debate and generates ideas for multilateral governance improvements. Conducting an active agenda of research, events and publications, CIGI's interdisciplinary work includes collaboration with policy, business and academic communities around the world.

CIGI's current research programs focus on four themes: the global economy; global security; the environment and energy; and global development.

CIGI was founded in 2001 by Jim Balsillie, then co-CEO of Research In Motion, and collaborates with and gratefully acknowledges support from a number of strategic partners, in particular the Government of Canada and the Government of Ontario.

Le CIGI a été fondé en 2001 par Jim Balsillie, qui était alors co-chef de la direction de RIM (Research In Motion). Il collabore avec de nombreux partenaires stratégiques et exprime sa reconnaissance du soutien reçu de ceux-ci, notamment de l'appui reçu du gouvernement du Canada et de celui du gouvernement de l'Ontario.

For more information, please visit [www.cigionline.org](http://www.cigionline.org).

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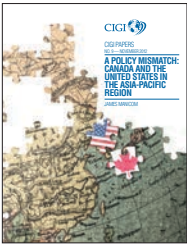
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## A POLICY MISMATCH: CANADA AND THE UNITED STATES IN THE ASIA-PACIFIC REGION

James Manicom

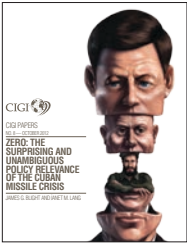
The United States and Canada, two of the world's closest allies, have reinvigorated their diplomatic and military postures toward the Asia-Pacific region. On balance, however, Canada may not be an ideal Pacific partner for the United States.



## A FLOP AND A DEBACLE: INSIDE THE IMF'S GLOBAL REBALANCING ACTS

Paul Blustein

The need for economic cooperation among major powers is greater than ever, and a well-coordinated plan aimed at shrinking imbalances is seen as highly desirable. This paper is a detailed account of the initiatives, led by the IMF, to address imbalances prior to the 2008 global financial crisis.



## ZERO: THE SURPRISING AND UNAMBIGUOUS POLICY RELEVANCE OF THE CUBAN MISSILE CRISIS

James G. Blight and Janet M. Lang

Drawing on a quarter century of research on the Cuban missile crisis, this paper argues that given what is now known about what actually happened in Cuba by October 1962, the escape from nuclear catastrophe seems even more miraculous and the drive to rid the world of nuclear weapons is even greater.



## CANADA-US ARCTIC MARINE CORRIDORS AND RESOURCE DEVELOPMENT

John Higginbotham, Andrea Charron and James Manicom

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## FROM BRETTON WOODS TO THE EURO: HOW POLICY-MAKER OVERREACH FOSTERS ECONOMIC CRISES

Pierre Siklos

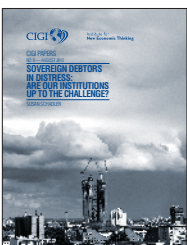
This paper considers the relevance of the Bretton Woods system for the prospects of reform of the international monetary system and in the context of the ongoing euro area financial crisis, exploring the challenges that must be met in attempting to reform the current international monetary system and euro area policies.



## ZERO: THE SURPRISING AND UNAMBIGUOUS POLICY RELEVANCE OF THE CUBAN MISSILE CRISIS

James G. Blight and Janet M. Lang

Drawing on a quarter century of research on the Cuban missile crisis, this policy brief offers takeaways and recommendations for moving toward zero nuclear weapons.



## SOVEREIGN DEBTORS IN DISTRESS: ARE OUR INSTITUTIONS UP TO THE CHALLENGE?

Susan Schadler

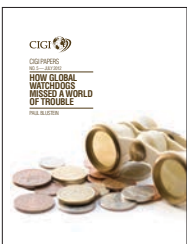
A CIGI and INET conference brought together global experts on sovereign debt crises. This paper expands on the ideas put forward during the discussion, highlighting relevant recent history and research, and proposes an action plan.



## RESPONDING TO DISASTER: NEGLECTED DIMENSIONS OF PREPAREDNESS AND THEIR CONSEQUENCES

Andrew S. Thompson and David A. Welch

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Paul Blustein

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## POST-2015 GOALS, TARGETS AND INDICATORS

Barry Carin and Nicole Bates-Eamer

The UN Millennium Development Goals have been remarkably successful in mobilizing resources to address the major gaps in human development, but future goals must reach beyond traditional development thinking. This conference report discusses possible indicators for 12 potential post-2015 successor goals.

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