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# THE NEW DOMINICAN FOREIGN POLICY UNDER THE ADMINISTRATION OF LEONEL FERNÁNDEZ (1996-2000)

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## **Abstract**

The story of Leonel Fernandez, President of the Dominican Republic (1996-2000), may help us put in context the new direction of Dominican foreign policy in the latter half of the 1990s. Three basic factors contributed to the changes implemented by Fernandez, for the nation's foreign policy: 1) the end of the Cold War; 2) the promotion of free and fair electoral competitions (promoted by the U.S.); 3) the emergence of Fernandez as a leader genuinely interested in foreign policy. This paper examines Fernandez's major accomplishments in foreign policy and proposes that his lack of success in improving his country's bilateral relations with the United States was basically due to the different priorities established by both governments.

*Key words:* Leonel Fernández; Dominican Republic; Foreign Policy; Small Nation States; Bilateral relationships; United States of America.

## **Resumen**

La historia de Leonel Fernández, presidente de la República Dominicana (1996-2000), ayuda a contextualizar el nuevo camino de la política exterior dominicana durante la segunda mitad de la década 1990. Tres factores básicos contribuyeron a los cambios impulsados por Fernández en materia de política exterior: 1) el fin de la Guerra Fría; 2) la realización de elecciones libres y democráticas (promovidas por los Estados Unidos); y 3) el genuino interés de Fernández en la política exterior. En este trabajo se examinan los principales logros de Fernández en materia de política exterior y se propone que su fracaso en lograr el mejoramiento de las relaciones bilaterales entre su país y los Estados Unidos se debió principalmente a las distintas prioridades establecidas por ambos gobiernos. *Palabras clave:* Leonel Fernández; República Dominicana; política exterior; estados-nación pequeños; relaciones bilaterales; Estados Unidos de América.

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# LA POLÍTICA EXTERIOR DOMINICANA DURANTE EL GOBIERNO DE LEONEL FERNÁNDEZ (1996-2000)

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## Résumé

L'histoire de Leonel Fernández Président de la République Dominicaine (1996-2000), aide à situer la nouvelle orientation de la politique extérieure dominicaine pendant la seconde moitié de la décennie 1990-2000. Trois facteurs fondamentaux ont contribué aux changements instaurés par Fernández en matière de la politique extérieure: 1) la fin de la Guerre Froide; 2) la réalisation d'élections libres et démocratiques ("conseillée par les Etats-Unis d'Amérique); et 3) l'intérêt authentique portée par Fernández à la politique extérieure. Cette étude expose les principales réussites de Fernández en matière de politique extérieure et propose d'expliquer que s'il n'a pas réussi à obtenir une amélioration des relations bilatérales entre son pays et les Etats-Unis d'Amérique, c'est principalement à cause des priorités différentes établies par les deux gouvernements.

*Mots-clés:* Leonel Fernández; République Dominicaine; politique extérieure; petits Etats-nations; relations bilatérales; Etats-Unis d'Amérique.

## Samenvatting

De geschiedenis van Leonel Fernández, president van de Dominikaanse Republiek (1996-2000) helpt ons om de nieuwe buitenlandse politiek van dit land in de tweede helft van de jaren 90 in de juiste context te plaatsen. Drie factoren hadden ertoe bijgedragen dat Fernández de buitenlandse politiek veranderde: 1) Het einde van de Koude Oorlog; 2) de realisering van vrije en democratische verkiezingen (gesteund door de Verenigde Staten); en 3) de speciale interesse van Fernández in de buitenlandse politiek. In dit artikel worden de belangrijkste successen van Fernández wat betreft zijn buitenlandse politiek geanalyseerd alsook zijn mislukking om de bilaterale betrekkingen tussen zijn land en de Verenigde Staten te verbeteren. Volgens de auteur heeft die mislukking te maken met de verschillende prioriteiten van beide regeringen.

*Kernwoorden:* Leonel Fernández; Dominikaans Republiek; buitenlandse politiek; kleine natie-staat; bilaterale betrekkingen; de Verenigde Staten van Amerika.

The story of Leonel Fernández may help us put in context the new direction of Dominican foreign policy in the latter half of the 1990s. Fernández was born in 1953 and, as many other Dominicans, migrated to New York City where his family had moved. In New York City he attended primary and secondary school. While the Dominican exodus to New York was rapidly increasing in the early 1970s, Fernández's family moved back to the Dominican Republic and he received a law degree from *Universidad Autónoma de Santo Domingo* in 1978. Fernández's early years in New York, his political activities at the university, and membership of the Dominican Liberation Party (PLD) largely framed his interest in foreign relations. Once he completed his law degree, Fernández started working on a book which he published in Spanish (*The United States in the Caribbean: from the Cold War to Ronald Reagan, 199?*). Subsequently, he became the head of the PLD's Office for International Affairs and an acknowledged expert in foreign affairs within his party.

When Fernández was elected president of the Dominican Republic (1996), international conditions were favorable to promote the foreign policy of small underdeveloped nation states.

Three basic factors created these favorable conditions. Firstly, the end of the Cold War meant lowering of tension because of the disappearance of real socialism. This new context allowed for the development of foreign policies which focus essentially on economic affairs rather than on ideological and political issues. Secondly, U.S. promotion of free and fair electoral competitions has forced conservative and authoritarian political forces to accept that liberal candidates can win elections and actually rule. Thirdly, the emergence of Fernández as a leader who is genuinely interested in foreign policy. His continued interest in the subject, expressed in his multiple speeches and 34 international trips, is fundamental to explain the successful reinsertion of the Dominican State and economy in the international scene. In short, the concurrence of these three factors created a special set of historical circumstances which can help to explain the behavior of the Dominican state in the international scene.

When studying the foreign policy of a small state, a key issue is whether it can forge its own foreign policy despite its traditional economic and political dependency on a neighboring or distant foreign powers. Responding to this question requires defining a small state and detecting its common behaviors. There are at least three types of small states: micro states of a population of 2.5 million or less, small states in the developed world, and small states in the so-called Third World. The states of the English Speaking Caribbean are examples of micro states with less than 2.5 million people. Israel, New Zealand or Singapore are developed small states and the Dominican Republic, Cuba, Uruguay, Ecuador, etc. are examples of underdeveloped small states (Hey, 2000, 2). The most commonly cited behavior of small states foreign policy include: exhibiting a low level of participation in world affairs; addressing a narrow scope of foreign policy issues; limiting their activities to the immediate geographical area; focusing on diplomatic and economic instruments; emphasizing internationalist principles; securing international agreements and joining multinational institutions; choosing neutral positions; relying on super powers for protection; spending a disproportionate amount of resources on ensuring physical and political security and survival.

Conventional wisdom indicates that small state behavior can be best explained at the world system level of analysis. "The received wisdom is that domestic determinants will be less salient when studying small state behavior because external constraints are more severe and the international situation is more compelling" (Elman, 1995, 172). Despite the persuasive power of this dictum, the literature on small states shows that there are numerous cases where small states, under favorable historical circumstances, can exert a degree of independence in the international scene. The cases of New Zealand, Israel and Cuba show that this is possible. Cuba may be an exceptional case among the underdeveloped small states, but given special circumstances, small states can forge a semi-independent foreign policy such as Leonel Fernández in the Dominican Republic (Hey, 1995; Goetschel, 1998; Henderson, 1991).

This paper examines Fernández's major accomplishments in foreign policy and proposes that his lack of success in improving his country's bilateral relations with the United States was basically due to the priorities established by both governments. For the United States, drug trafficking, money laundering, migration, and human rights violations seem to be the most important issues. The Dominican government accepts its responsibilities in dealing with these problems, but it claims that it does not have the resources to resolve them. Under Fernández, Dominican first foreign policy priority was to attract foreign investments and to promote tourism. These differing approaches created rough edges in the two countries and thus made it difficult for Fernández to succeed at improving bilateral relations.

#### DOMINICAN FOREIGN POLICY BEFORE FERNÁNDEZ

What is problematic about small underdeveloped states and micro states is that regime change can alter foreign policies. These types of states have not developed their institutions sufficiently to carry out policies regardless of the regime in power. In the case of the Caribbean and Central America, the Ministries of Foreign Relations have been historically used to handling relations with the United States and much less to looking at regional and international relations. In the Dominican Republic neither Balaguer (1966-1978 and 1986-1994) nor Guzmán Fernández (1978-1982) nor Jorge Blanco (1982-1986) continued the foreign policy initiated by Rafael L. Trujillo (1930-1961). Thus, it is open to question whether Fernández's successor will follow his foreign policy initiatives.

Dominican foreign policy has been historically subordinated to U.S. political, economic, and geographical interests. This persisted in the context of the Cold War and under the conservative administrations of Joaquín Balaguer. Despite efforts by S. Antonio Guzmán Fernández and Salvador Jorge Blanco, their governments could not establish a clear foreign policy initiative. Balaguer never claimed to have an independent foreign policy during his twenty-two years in office. During this time Dominican foreign

policy was essentially geared toward foreign aid, keeping the sugar quota, and renegotiating foreign debts. When the Haitian dictator Jean Claude Duvalier was overthrown in 1986, Jorge Blanco and then Balaguer maintained a cautious approach to the crisis and subordinated their Haitian policies to U.S. political interests.

PRD governments were unable to make significant headway in the area of foreign policy. S. Antonio Guzmán (1978-1982) limited his foreign policy initiatives to improving relations with the United States, meeting with Jean Claude Duvalier regarding Haitian-Dominican relations, and seeking foreign aid. Salvador Jorge Blanco (1982-1986) ventured out of the traditional subordination to the United States in a rather contradictory fashion. He led the nation to participate in international forums that sought to free Latin America from its foreign debts, helped organize the Quito Conference in 1985 to promote regional integration, and tried to project a Third World view in international political affairs. Jorge Blanco wanted to carry out these initiatives while improving relations with the United States. This project was contradictory, as proven by his negotiations with the International Monetary Fund (IMF). The IMF asked Jorge Blanco to devalue the currency, cut social spending, balance the budget and restructure other aspects of the Dominican economy. He asked Ronald Reagan to mediate with the IMF concerning demands he found unacceptable. Reagan, of course, responded telling Jorge Blanco to continue negotiations with the IMF even if they were difficult. Thus, in the context of Reagan's response and the debt crisis, Jorge Blanco's attempts to engineer a new foreign policy were short lived (Espinal, 1985, 119-125; Espinal and Hartlyn, 1998, 140-44). When Balaguer returned to power in 1986, he did not pursue an active role in foreign policy and the nation went back to its dormant status in foreign relations. This attitude was basically due to Balaguer's belief that a small nation such as the Dominican Republic has no choice but to accept that its foreign policy is largely constrained by U.S. political and economic interests in the Caribbean. When Leonel Fernández was elected president in 1996 he revived Dominican foreign policy despite Balaguer's wisdom and attitude.

#### THE NEW FEATURES OF DOMINICAN FOREIGN POLICY

The new Dominican foreign policy under Leonel Fernández was guided by three fundamental principles: participating in international organizations, promoting economic integration and multilateralism to resolve international conflicts and reorganizing the Ministry of Foreign Relations (Latorre, 1999a, 101-112). This foreign policy sought to take advantage of the new political scenario created by the end of the Cold War and the process of regional economic integration in Latin America. In this new context, developing nations could actively participate in regional organizations where they would be able to carve out a political space in regional affairs. This was the case of the Leonel Fernández's administration that led a prudent and proactive foreign policy initiative to break out of the isolation in which previous administrations kept the nation. As such, this administration illustrates the case of small underdeveloped state seeking to establish its own foreign policy.

This new interest in participating in foreign affairs was outlined by Fernández from the outset of his administration. Shortly after his inauguration, August 16, 1996, he traveled to New York to address the United Nations General Assembly. He announced that the Dominican Republic was ready to become a member in that international body by making long overdue payments and by fully participating in debates and responsibilities (Fernández, 1997, 26-33). He immediately ordered his government to pay overdue debts to the Organization of the American States (OAS), the United Nations (UN), the World Trade Organization (WTO), the International Labor Office (ILO), the Association of Caribbean States (ACS), and other organizations. These payments opened the way for the active engagements of Dominican diplomats in international forums and regional organizations.

Participation in regional organizations was crucial for the successful insertion of the Dominican Republic in the globalized economy. This was of particular significance for the Dominican Republic because it had remained marginal concerning regional affairs. Fernández's administration argued that the nation needed to join its neighbors in trade and investment associations in order

to compete successfully with other trading blocs. In this area, Fernández built on Balaguer's timid efforts to integrate the nation to Caribbean Community (Caricom) and the Central American Common Market. Balaguer did not travel much to promote foreign policy during his last two administrations, but he did send his vice president, Carlos Morales Troncoso, to various Central American Presidential summits and meetings that led to the formation of the Caribbean Forum and ACP (Africa, Caribbean, and Pacific), a group of former European colonies that receive special benefits from the European Union through the Lomé Accord.

Fernández worked hard to promote his foreign policy initiatives in the Caribbean and Central America. He made 34 international trips to the Caribbean, Latin America, Europe, North America, and Asia. These trips included the VII Ibero-American Summit of heads of State and governments held in Chile, the Commerce and Investment Summit held in Miami, Summit of the heads of State of the Caribbean Community (Caricom) in Antigua, various Summit of heads of State of Central America, the meeting of San José, Costa Rica which the five Central American presidents, the Dominican President and the United States attended. Vice President Jaime D. Fernández Mirabal attended the Summit of heads of State of the Caribbean Community, Haiti, and the United States in Bridgetown, Barbados. In addition, Fernández visited México, Haiti, Cuba, Colombia, Venezuela, United States, Taiwan, Japan, Singapore, Thailand, and Guadalupe.

Fernández's trips to Haiti and Cuba stand out from most of his travels because of the political significance these countries have for Dominican Republic. Haiti not only shares a border with it, but there is a large presence of Haitian migrant workers in the country, a significant number of which are illegal immigrants. This turns Dominican policy towards Haiti into a domestic issue that at times seems unmanageable. Fernández visited Haiti, addressed the Haitian Parliament, and held conversations with the Haitian President, René Preval. Despite good intentions, he has continued the policies of his predecessor, Joaquín Balaguer, regarding key issues such as migration, trade, drug-trafficking, and cultural exchange. As a result of the Haitian-Dominican Bilateral Commission, created under Balaguer, both governments

have agreed to make a joint request for funds from the European Union to implement development projects on their border. Despite this advance, however, neither government has made significant progress on the migration issue, the most pressing matter for the two countries. Like his predecessor, Fernández continued to deport Haitian illegal workers.

While mass deportations stopped in December 1999, migration issues were not resolved by the Bilateral Commission and probably will not be in the near future. This issue has as much to do with Dominican demand for Haitian workers as with Haitians' need to migrate to the Dominican Republic for work and better living conditions. This situation gets more complicated because there is a dual morality in the Dominican Republic concerning Haitian workers. Many of the nationalist political actors who want Haitians deported have traditionally employed them as illegal workers on their farms. Haitians are no longer just working in the sugar industry, which has nearly disappeared, but in all areas of agriculture and construction. During the first few months of 2000, Dominican authorities expressed fears that a worsening political crisis might increase the Haitian migration to the Dominican Republic. The crisis around the parliamentary elections and the assassination of Jean Dominique in April 2000 put the Dominican authorities on the alert. Dominique was the most important radio journalist in Haiti and an important political figure in the fight against the Duvalier dictatorship. Fernández raised Dominican concerns prior to Dominique's assassination at a meeting of the Caribbean heads of states held in Guadalupe, and subsequently called on the United States, and the international community to help Haiti because the Dominican Republic could face an influx of Haitian refugees across the border.

Unlike his predecessors, Fernández visited Cuba and re-established diplomatic relations in 1999. He decorated Fidel Castro during a State visit to the Dominican Republic in 1998 and welcomed a Cuban proposal to build a high school in the town of Baní, where Máximo Gómez, a Cuban hero, was born. Castro promised to return to inaugurate the high school as part of a program to promote trade and cultural exchanges between the two countries. Unconfirmed rumors suggest that U.S. officials were not

pleased with Fernández's cozy relations with Castro, but this issue pales when compared to concerns expressed by the U.S. with cocaine trafficking, money laundering, intellectual property rights, and reform of the judicial system. Dominican relations with Cuba are primarily geared towards trade and investments.

#### TRADE AND INVESTMENTS IN DOMINICAN FOREIGN POLICY

The key motivation of Dominican foreign policy is to attract trade and investments to the country. Fernández used his multiple foreign trips to give his country a presence in international forums. In his speeches he informed businessmen as well as regional and world leaders that the Dominican Congress passed an investment law that allows for full repatriation of profits, and that the nation enjoyed macroeconomic stability as well as an average GNP growth rate of 7.8 for that last five years. To increase business interest, he underscored that his country signed a Multilateral Guarantee Agreement with the World Bank to protect foreign investments. In addition, he highlighted that the nation has one of the best telecommunication systems in the Caribbean, and that tourism and free trade zones are the fastest growing sectors of the economy. He recognized that the country has energy problems, but rather than portraying this as a negative factor, he promoted it as an opportunity for foreign investors. He invited them to participate in his privatization program, which sought to sell state-owned enterprises in mining, electricity, hotels, airports, etc. In fact, Fernández gave the impression that he was a sales person for the transnationalized fraction of the Dominican business elite, which wholeheartedly supported his foreign policy. This campaign largely succeeded as noted in table 1. Most of these direct investments were in the free trade zones (FTZ), telecommunications, tourism, and electricity. The Office for the Promotion of Foreign Investments in the Dominican Republic forecast that these trends would continue through the year 2000.

To attract local support for his policies, Fernández proposed over past four years to transform the Dominican Republic into

TABLE 1. *Foreign direct investments in the Dominican Republic (in million of U.S. dollars)*

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
145	180	91	132	271	160	—	634.93*	1,374*	—

Sources: Statistical Abstract of Latin America, Vol. 35, pp. 907-908.

\*Oficina para la Promoción de la Inversión Extranjera de la República Dominicana. See Web site: [opi.rd@codetel.net.do](mailto:opi.rd@codetel.net.do) (Section on the economy).

the first industrialized nation in the Caribbean through the rational exploitation of its human and economic potential for the benefit of all Dominicans. However, what kind of industrialization did he have in mind? Fernández was obviously thinking of Dominican free trade zones as a model that has been relatively successful in terms of exports and job creation. His intense efforts in defending the FTZ indicate that he favored them as a model for industrialization.

Dominican FTZs are the result of the U.S. Caribbean Basin Initiative (CBI), created under President Ronald Reagan in 1982 to promote foreign investments in the region. In essence, the CBI granted one-way duty-free treatment for exports of certain goods from the Caribbean Basin countries for a period of twelve years. In 1986 Reagan announced the creation of a "special-access program" that included quotas for certain apparel imported from CBI-designated countries (Betances, 1995, 128). This program catapulted exports from the Dominican Republic from US \$117 million in 1980 to \$517 in 1988 and \$1 708.4 million in 1995. This permitted an expansion of new jobs from 20 000 workers in 1982 to 182 000 in 1997. The number of FTZ reached 34 in 1997 and the number of firms operating in those zones reached 446 (Safa, 1999, 2). Despite minor fluctuations in the 1990s caused by competition from Mexican textile exports, FTZs are still one of the fastest growing sectors in the Dominican economy and one of the prime employment generators.

Fernández visited the Silicon Valley in California in 1999 to propose the creation of labor-intensive high-tech free trade zones. In August 1998, Bernardo Vega, the former Dominican Ambassa-

dor in Washington, D.C., told a group of businessmen in Santiago, Dominican Republic, that part of his job and that of the Foreign Investment Promotion Office was to look for high-tech companies willing to relocate their labor-intensive operations to the Dominican Republic. According to Vega, the Dominican Republic could operate toll-free answering services and telemarketing, as well as "back office" tasks such as filing, accounting as well as other labor intensive tasks (Vega, 1999, 129-145). With financial support from Taiwanese and Japanese investors over the first five months of 2000, the Dominican government has begun building a cyber-park or high-tech free trade zone and an institute to train the people who will work in it. The cyber-park is expected to attract investors who might want to complement tasks initiated in the United States, Europe, or Asia, such as assembling semi-conductors, panel circuits or electronic components. Fernández was unable to complete these two projects, but proceeded to inaugurate the sections built under his administration.

Such projects form part of the strategy for creating a niche international division of labor when progress in telecommunication has shortened distances and when office work can be done away from the traditional office. This approach fits into patterns that has been tested and established by multinational corporations. For many years multinational corporations shipped out labor-intensive operations to Third World countries, which has proven to be profitable. For example, the German company Veba invested \$7.5 million in Costa Rica to assemble semi-conductors, panels for electronic circuit, and telecommunication satellite components (Vega, 1999, 129-145). This model may not be a basis for economic development, but Fernández and the Dominican economic elite believe that this is the best option for the country.

#### DOMINICAN STRATEGY FOR REGIONAL INTEGRATION

The Dominican strategy for regional integration is based on the belief that a country cannot act alone in the international economic and political scenario. Multilateralism is perceived as nec-

essary to achieve consensus on the principal problems that affect world population. Issues of poverty, narco-traffic, terrorism, ethnic and territorial problems cannot be resolved bilaterally. Interestingly, the foreign debt is not included among the problems that Dominican foreign policy makers consider should be addressed multilaterally. Fernández and his Minister of Foreign Relations, Eduardo Latorre, raised the issue of the foreign debt in political forums, such as the UN, the OAS or the Ibero-American summits. In these summits they insisted that it is not possible to promote development in their country when 20% of the national budget has to be used to pay the foreign debt. However, when they talked to businessmen –whose investments they want to attract–, they emphasized how the nation regularly pays its foreign debts. They recognized that these regular payments have made it possible to obtain the foreign assistance necessary to promote macroeconomic stability.

But why did Fernández exclude foreign debts from the issues that must be treated multilaterally? We must remember that Fernández's foreign policy initiatives were circumscribed by the economic, social, and political dependency of the Dominican Republic on the United States. Fernández could look for investment opportunities wherever he could find them and he could promote regional free trade agreements, but he could not promote a Caribbean or Latin American debtors club that would challenge U.S. financial and economic hegemony. Nonetheless, he warned regional and international leaders that both economic growth and democracy were at stake when social issues such as poverty, health, and education were left unresolved.

Dominican foreign policy succeeded in raising the nation's profile in international organizations such as Caribbean Forum (Cariforum), and the Central American Common Market. The Dominican Republic hosted important summits: the Summit of Central American Presidents in November 1997, the II Summit of the Heads of State and Governments of the Association of Caribbean States in August 1999, and the II Summit of the Group of Africa, Caribbean, and Pacific (ACP) in November 1999. No other post-Trujillo government had initiated an active foreign policy agenda. The meeting with Central American presidents was dedicated to

the discussion of a free trade agreement, while the II Summit with the Association of Caribbean States was dedicated to coordination between member states, regional collaboration in economic, social, cultural, and environmental issues. The ACP meeting addressed the agreement that should replace the Lome IV Convention soon to expire and the group's common position regarding the World Trade Organization. The Dominican Republic chairs the ACP, which gives it not only prestige, but access to the agenda of the group where the Dominican delegation can have an input. The benefits of hosting these meetings are hard to measure since this is not an activity that pays off in the immediate future. Similarly, creating trade links between the Dominican Republic, the Caribbean and Central America will take time. For example, less than one percent of Dominican foreign trade takes place with the Caribbean and Central America (Latorre, 1999b, 93).

Aware of the apparent opportunities existing in the region, Dominican multilateral agenda has focused on the Caribbean and Central America. A high priority has been attached to relations with these two regions and a strategy was developed to address the issue. The results of this policy have been a free trade agreement with Central America, which was obtained in 1997, and with Caricom, which was obtained in 1998. The protocols of both agreements deal with the number of products that would be free of tariff, which would pay full tariff, and which would be a program of progressive tariff reduction. However, none of these protocols went to the Dominican National Congress for debate while Fernández was in office.

Following up with his Caribbean-Central American strategy, in August 1998, Fernández proposed that the Caribbean Forum develop a strategic alliance, which would include Caricom nations, Haiti, Central America, Panama, and the Dominican Republic. This trade alliance would eventually create a free trade area comprising 60 million people and would allow member states to negotiate as a group with the America's Free Trade Zone and NAFTA. This trading bloc would ostensibly strengthen the competitive nature of goods and services produced in the region, create intra-regional investment, provide free air travel service, and promote regional tourism Fernández, 1999, 23-26).

Fernández's focused strategy on the Caribbean and Central America has begun to produce results. In 1999 Fernández joined the five Central American Presidents to lobby the U.S. Congress for a textile parity with NAFTA. This was the first time that a Dominican president joined his Central American colleagues to obtain a common goal. Textile parity with NAFTA was obtained in May 2000 when the U.S. Congress approved a legislation granting parity to 72 countries from the Caribbean, Central America, and Africa. Dominican FTZ will be primary beneficiary of this legislation and it is likely that more foreign investment might flow to this economic sector. Although lobbying Congress by Fernández and his Central American colleagues, alone, did not move U.S. legislators, but it did show the value of joint action.

Will trade among the Dominican Republic, Caricom and Central America flow once the free trade agreements are approved by regional Congresses? Since these countries do not have significant trading traditions, it will take a great deal of effort on the part of local business élites to take advantage of the opportunities created. Most of these nations' economies are integrated with the United States or Europe. Dominican trade is basically with the United States, where 81% of Dominican exports are sent. The rest of Dominican exports are distributed in the European Union (8%), Asia (3%) and other countries (8%). Similarly, as it might be expected, most foreign investment originates in the United States (34%), Canada (25%), European Union (7%), Korea (27%) and other countries (7%). Likewise, Dominican foreign debt is distributed with the United States (50%), Spain (15%), Japan (13%), Venezuela (10%), Germany (4%) and other countries (8%) (Latorre, 1997, 55-75).

Bilateral relations with the United States are more important than multilateral trade relations with the Caribbean and Central America. Economic dependency on the United States means that regional trade organizations do not offer realistic alternatives, especially given the similarity of products exported by Caribbean and Central American countries. This shows once again that Fernández's search to insert the Dominican Republic into the globalized economy was circumscribed by realities that he could not control. Participating in the globalized economy is not sim-

ply a desire, but involves developing concrete strategies and preparing those institutions of the nation state that have to deal with foreign affairs, particularly diplomacy.

#### THE NEW ROLE OF THE MINISTRY OF FOREIGN RELATIONS

Many Ministries of Foreign Relations have changed their roles in Latin America and the Caribbean as part of the global trend of reinserting national economies into the changing international scenario. Latin American and Caribbean ambassadors and consular officers have had to broaden their activities to include promotion fairs to attract foreign investments to their nations and to provide legal services to emigrants from their countries who live in the United States. They have had to work closely with economic, commerce, and finance ministers to coordinate their activities. In some countries the economic ministries are more important than any other ministerial post because the new realities of economic integration and foreign debt negotiation requires specialized knowledge. Witness a similar development in the United States where the Commerce Department and the U.S. Trade Representative have acquired a higher profile than the State Department.

When Fernández came to office in 1996 the Dominican Republic had been out of synchronization with the changing economic and political scenario in the world. It was reported that the Ministries of Foreign Affairs did not have one computer when Fernández came to office and that there was only one fax machine. Dominican diplomats did not receive any training prior to assuming their responsibilities and many received their post as a prize for their political affiliation. Clearly, it was necessary to reconstruct the Ministry of Foreign Relations because the embassies and consulates around the world operated without clear guidelines. The United Nations Development Program co-sponsored with the Dominican government a project to upgrade the technical capacity of the ministry by installing a network of 101 computers. These were used to connect the Ministry of Foreign Relations to the Internet and the 32 Dominican embassies and

20 consulates around the world. Consulates and embassies were reclassified and Foreign Service officers now undergo special training prior to traveling to their new posts.

The Ministry of Foreign Relations also organized seminars and conferences where local academic, foreign diplomats as well as trade negotiators give presentations. The School of Diplomacy of the Ministry of Foreign Relations was established in the grounds of the Ministry. The Consulting Council of the National Trade Negotiation Committee was established with the participation of the local business community and even some non-governmental organizations (NGOs). Significantly, links were strengthened with Congressional Committee on Foreign Relations. This is a result of the National Congress needs to debate and approve or reject free trade agreements signed by the Dominican government (Latorre, 1999a, 55-75). These changes show that the Ministry of Foreign Relations started a process to consolidate itself institutionally. Notwithstanding these changes, the Ministry still needs to expand its area of operation in order to include relations with Dominicans residing abroad as well as cultural, and education exchanges.

#### BILATERAL RELATIONS WITH THE UNITED STATES

Dominican foreign policy was relatively successful in so far as it integrated the country into regional and international bodies, negotiated trade agreements with the English-speaking Caribbean and Central America, and attracted significant amounts of foreign investment. However, this was not the case regarding bilateral relations with the United States. In part, this might have been due to the fact that for a good portion of the time that Fernández was in office, a U.S. Ambassador was not appointed to Santo Domingo. Charles Mannat took his post only in December 1999, and it is too early to make any judgement regarding his handling of Dominican affairs. It is worth mentioning that traditionally the U.S. Embassy in Santo Domingo does more than just handling the day-to-day affairs between the two nations. As a result the Dominican Embassy in Washington plays a lower

role than it should. The absence or presence of a U.S. Ambassador in Santo Domingo makes a huge difference because his office is a key source of power that is taken into account seriously. Whenever the U.S. Ambassador speaks publicly he makes headlines in the daily newspapers and politicians of different persuasions take into account what he says.

Another factor that possibly prevented the improvement in bilateral relations was that Bernardo Vega, the Dominican Ambassador to the United States, resigned his post after nearly three years, but the reasons for his resignation remained unclear. During his time in Washington, he was unable to obtain an invitation for Fernández to visit Washington, D.C., as a Head of State. When Fernández visited the United States in 1998 to address the United Nations, President Clinton asked him to come to the White House for conversations. However, these conversations were brief and private and no press conference followed the meeting. Fernández, along with the five Central American Presidents, returned to Washington in the fall of 1999 to lobby the U.S. Congress for a textile parity with NAFTA. Textile parity with NAFTA was presented by the Fernández administration as one of the key issues of Dominican relations with the United States and it was successfully obtained. However, this success cannot be attributed to Fernández's foreign policy, but to an array of U.S. and international political forces.

Bilateral relations with the United States had many rough edges during Fernández's years in power. For example, the Dominican government bought five helicopters from a Franco-Brazilian business firm, which Linda Watt, the U.S. business representative, considered unfair to United States firms. Temístocles Montás, the Technical Minister of the Presidency, responded that the U.S. firm did not make its offer promptly and that the Dominican government, under urgent need, accepted what it perceived was a competitive offer.<sup>1</sup> Linda Watt claimed that the Dominican government's bid was not transparent and that the U.S. offer was better. This case illustrates the failure of Fernández administration to establish clear channels of communication with its main trading partner and the absence of a policy team that focused exclusively on U.S.-Dominican relations.

<sup>1</sup> *Rumbo*, November 22, 1999, 8-14; Jiménez, *Hoy*, November 25, 1999.

During the past four years, the U.S. government continued to express concerns regarding cocaine trafficking, money laundering, institutional corruption, reform of the prosecutorial judicial systems, and intellectual property rights. The U.S. government claimed that:

despite an increased number of interdiction operations, the GODR seized less cocaine in 1999 than in 1998. While the Dominican Republic is not an international financial center, it continues to face a growing and systematic problem of narcotics-related money laundering. The extradition process has not been regularized, and extradition decisions remain subject to political influence (U.S. Department of State, 2000a).

Despite these claims, in March 2000 the U.S. certified that the Dominican Republic was making progress on the war on drugs.

The Report on Narcotics was released almost simultaneously with the State Department's 1999 Country Reports on Human Rights Practices. This report indicates that Dominican National Police "beat suspects and regularly used excessive force to disperse demonstrations. Some security force personnel tortured prisoners. Prison conditions in general are extremely harsh." The report also indicates that "the Government at times pressured editors not to publish unfavorable items, journalists practiced some self-censorship, and police on several occasions limited freedom of assembly" (U.S. Department of State, 2000b). The report goes on to describe extra-judicial killings, disappearances, torture, arbitrary arrests, and the denial of fair trials, freedom of speech and freedom of assembly. The Dominican government denied most of these allegations, but for Dominican citizens who read the daily national press and follow political events, these events have not been any different in previous governments. Nonetheless, a dramatic increase in police brutality and insensitivity by the public authorities is quite noticeable. Such reports also show that the quality of Dominican democracy is very low since the rule of law hardly applies to the impoverished population.

Despite these fissures that create tension, the Dominican Government agreed to extradite citizens suspected of being in-

volved in drug trafficking and charged by the U.S. justice system. Fernández emphasized that his administration did not tolerate anyone involved in drug trafficking. He was willing to allow the U.S. military and Drug Enforcement Agency to patrol Dominican waters in search of boats carrying illegal drugs. The Dominican government even allowed the Federal Bureau of Investigation (FBI) to send agents in order to investigate criminal activities by Dominicans involved in drug traffic. Both governments established mechanisms for the deporting Dominicans who served time in U.S. jails. The United States knows that the Dominican government's resources are scarce and that it cannot increase funding to step up its war on drugs. Notwithstanding the U.S. Government still presses the Dominican Republic and various governments of the region to conduct policies that it would not conduct at home. In fact, Dominican Republic mirror the larger reality of Caribbean and Latin American nations whose governments have more pressing issues to address.

The achievement of free and fair elections continued to cause friction between the United States and the Dominican Republic. During the Cold War period and even in the early 1990s, the United States seemed to prefer conservative Joaquín Balaguer. This political attitude changed after 1996 when the United States decided to support a series of civic organizations that promote democracy, such as *Participación Ciudadana* (Citizenship Participation) and the *Red Nacional de Observadores Electorales* (National Network of Elections Observers) (Espinal and Hartlyn, 1998, 150-155).

Electoral issues came up again in the summer of 1998, when the Dominican Senate, controlled by the PRD, elected the judges of the Central Electoral Commission (CEC), apparently without consulting other political parties. The PRSC and the PLD claimed that the PRD, which controls 24 of 30 seats in the Senate, should have consulted them. Government conflicts with the CEC did not seem to stop through much of Fernández's administration. On various occasions, Linda Watt, the U.S. business representative in Santo Domingo went to the central offices of the CEC to show her support for organization of the elections. Similarly, when U.S. Am-

bassador Charles Mannat arrived in Santo Domingo in December of 1999, he went to the CEC to express his concerns over government political attacks. Government conflicts with CEC slowed down registration for the May 2000 presidential elections since public funds were not released in a timely fashion. Ironically, conservative forces, apparently in retreat, claimed that the U.S. Embassy intervened in internal affairs, while the leftists, now turned social democrats, appreciated U.S. support for democratic institutions.

Bilateral relations with the United States were not a positive feature in the Fernández administration. Many of the problems noted above are old, but it would be difficult for any Dominican administration to resolve them. What can be seen as an inconvenience to the United States (deporting Dominican ex-convicts, for example) can become a huge national problem for the Dominican government. The Fernández administration apparently did not focus its energies on improving relations with the United States. This contrasts sharply with Fernández's efforts to engineer free trade agreements with Caricom and Central America and to attract foreign investments. Notwithstanding we cannot dismiss the fact that relations with the Dominican Republic are not a policy priority for the United States. The Dominican government has no other choice but to work closely with the U.S. Embassy in Santo Domingo to resolve the pressing matters discussed in this paper.

#### CONCLUSION

Contrary to the conventional wisdom dictated by the system level theory in international relations, my research shows that it is possible for a small underdeveloped state to forge a foreign policy under special circumstances created by the contradictory nature of the foreign policy of a neighboring or distant power. Fernández carved out a small breathing space in the Caribbean and Central America by effectively negotiating free trade agreements with those two regions. He successfully conducted a cam-

paign to attract significant amounts of foreign aid and investment, which has helped consolidate macroeconomic stability. Similarly, he succeeded in breaking away from the isolation in which the nation had been kept by previous administrations. As a result, the Dominican Republic is now integrated into the main regional and international organization, which allows it to receive assistance that it would not receive otherwise. This success can be explained, among other factors, by Fernández's interest in foreign policy, by the effectiveness of his Minister of Foreign Relations, Eduardo Latorre, and by the new conditions created by the end of the Cold War, the U.S. promotion of democracy, and the globalized economy.

The foreign policy of an underdeveloped small state is circumscribed by the realities of a neighboring power. For example, Fernández's success in raising the nation's profile in international affairs did not run parallel regarding bilateral relations with the United States. Fernández was not able to attract the attention of the United States and did not receive an invitation to the White House as a Head of State, an important distinction for Caribbean and Latin American leaders who need U.S. recognition. However, one cannot blame him for failing to obtain this recognition. In the larger scheme of U.S. international relations, the Dominican Republic is not of great significance. As with most Caribbean nation states, the problems of the Dominican Republic are related to domestic and international issues in the United States: free elections, narco-trafficking, money laundering, and international migration. Encouraging foreign investments in the Dominican Republic, a key issue in Fernández's foreign policy, is no longer the major issue it was in the early 1980s when Ronald Reagan promoted the Caribbean Basin Initiative. This partly explains why Fernández's bilateral relations with United States were not successful. Similarly, despite his widely proclaimed democratic values, his political pressures on the Central Electoral Commission did not impress U.S. representatives in Santo Domingo.

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