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## U.S.-Latin America Policy

### Task Force

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# TOWARD IMPROVED U.S. POLICIES FOR LATIN AMERICA AND THE CARIBBEAN: A MEMO TO THE NEXT U.S. PRESIDENT

*Abraham F. Lowenthal\**

**I**T is still a year before the presidential elections, but already the task forces are at work and the specialists are turning out position papers, hoping to attract the attention of one candidate or another.

This year candidates will want to address foreign policy but to get beyond Iraq. Policy statements about Latin America will probably be more evident than usual, therefore. Several of the pre-candidates, from both parties, have already decried alleged recent U.S. neglect of Latin America and have promised that their administrations would restore Latin America to its rightfully important place.

Here are ten suggestions to whomever is ultimately elected the next president of the United States.

1. Avoid the temptation to promise that your administration will devote much greater attention to Latin America. No matter what its initial rhetoric or even the sincere intentions of its top leaders, your administration will have so many different priorities and relationships that it

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cannot devote substantially increased attention to the relatively tranquil countries of Latin America and the Caribbean.

Rather than promise to pay much more attention, and then inevitably disappoint, your administration should focus instead on improving the quality of the limited attention that can be devoted: by updating and improving concepts, by thinking more strategically, and by concentrating on defining and pursuing priorities.

The countries of Latin America and the Caribbean matter to the United States today for four main and enduring reasons:

- Shared issues that neither the United States nor any Latin American nation can successfully handle by itself, without close and sustained cooperation from regional partners. These issues include migration, public health, narcotics, crime, global warming and other environmental issues, as well as international terrorism. U.S. government officials since 9/11 tend to mention the last of these issues first, but the others are equally or indeed more important, especially from a Latin American perspective;
- Demographic interdependence arising from massive migration, which is blurring the borders between the United States and its closest neighbors, and giving rise to a number of issues with both international and domestic facets, ranging from education to health care, remittances to drivers' licenses, youth gangs to retirement pensions;
- The importance of Latin America to the United States as a priority market for the export of goods and services, and as a prime source of various products, especially energy, vital for the U.S. economy;
- And shared values, particularly fundamental human rights, including the rights of free political expression and democratic governance. Wherever a U.S. administration has lost sight of these values in the Latin American context, the U.S. public - largely through the activities of non-governmental organizations - has put them back on the agenda. And whenever a Latin American government appears to slight these issues or to violate shared norms, this makes cooperation difficult if not impossible, as has occurred this year with Colombia.

Recognizing these as our four primary U.S. interests will help your administration avoid being diverted by distractions; will allow it to design more effective policies; and will help it to confront the trade-offs that arise when different goals push policy in contradictory directions, as inevitably occurs.

2. Escape the constraints of easy rhetoric and familiar ideology, and grasp the new realities of the Latin American and Caribbean region.

Some examples:

Instead of dividing Latin America and the Caribbean dichotomously into "democracies" and "dictatorships," recognize that the overwhelming majority of Latin American and Caribbean nations have very significant governance issues: weak political institutions; ineffective checks and balances; and highly uneven application of the rule of law. Although the

normative goal of democracy has been nearly universally embraced - a big advance in the past generation - effective democratic governance remains an unachieved goal in most countries.

Instead of promoting free markets as the always desired approach, and citing Chile as the poster-child of this formula, recognize that Chile's success in fact demonstrates the value of pragmatically combining market-opening reforms with strengthened state capacity and vigorous state action. Some of Latin America's governmental institutions need to become stronger, more competent and more effective—not weaker—in order to deal with such issues as poverty, inequity, exclusion, crime, personal security and uncompetitiveness.

In both spheres, political and economic, the key distinction in the Americas may be less the form—democratic versus authoritarian, market-oriented versus state-run—but rather how well the country incorporates feedback and accountability into its decision-making processes. Moving toward democratic politics and market economics can help meet these imperatives, but this is not enough without effective institutions and state capacity.

3. Drop the idea of announcing a meaningful overall U.S. policy toward Latin America and the Caribbean. Consider desisting from further Western Hemisphere Summits, even though these meetings undoubtedly do save on travel time, provide splendid photo-ops, give the professional Latin Americanists some rare face time with the president, and allow for the development of personal ties among regional leaders.

Instead, base U.S. policies on disaggregating Latin America and the Caribbean. We have always known, of course, that Latin American and Caribbean nations vary enormously. During the past fifteen or twenty years, however, Washington tended to emphasize convergence within the region: toward democratic governance, market-oriented economics, policies of macroeconomic balance and of regional integration.

But this apparent convergence obscured the fact that key differences among the countries of Latin America and the Caribbean persist, and that some of these differences are growing, not shrinking, along five dimensions:

- The nature and degree of demographic and economic interdependence with the United States—highest and still rapidly growing in Mexico, Central America and the Caribbean, lowest and likely to remain low in the Southern Cone;
- The extent to which the countries have committed their economies to international competition: by far the fullest in Chile; relatively full in Brazil, Colombia, Mexico, Panama, Peru and Costa Rica; not so in many other countries;
- The strength of democratic governance, including checks and balances and the rule of law: strong in Chile, Uruguay, Costa Rica, and increasingly, although still unevenly, in Brazil; gaining ground in Mexico but still being fashioned through hard struggle there; under

great strain in Venezuela, all the Andean nations, much of Central America, Haiti and Paraguay; and arguably declining in Argentina;

- The relative effectiveness of civic and political institutions: strongest in Chile, growing steadily and impressively in Brazil and in Mexico, regaining stature in Colombia; still weak in many nations, deteriorating in Venezuela and Argentina, exceptionally weak in Haiti; and
- The special and difficult challenge of integrating more than thirty million disadvantaged indigenous people, especially in Bolivia, Ecuador, Guatemala, Honduras, Paraguay, the Peruvian highlands and southern Mexico.

Only when these important structural differences are consistently recognized can Latin America and the Caribbean come into clear focus and can more effective U.S. policies toward Latin America be fashioned.

4. Understand that the three improvements in U.S. policy that would have the greatest positive impact on Latin America and the Caribbean and on U.S. relations with the diverse countries of the Western Hemisphere are not Latin American policy issues as such but are much broader: immigration reform, trade policy, and dealing with narcotics.

- With respect to immigration policy, cooperate with congressional leaders in a bipartisan effort to accomplish what the 110th Congress failed to achieve: a comprehensive approach based on recognizing that labor markets and family dynamics will inevitably produce substantial immigration flows for the foreseeable future. Policies should seek to manage and regulate those flows, to enhance their benefits, to mitigate and more fairly distribute their various costs, and to respect core values. Any viable plan will require improved border management; temporary worker programs; bi-national cooperation on economic, labor, health, education and social issues; and, especially, concerted efforts, at various levels—including feasible paths to earned citizenship—to integrate those unauthorized residents who are contributing to this country and want to become part of our community.
- On trade, the recent negotiations between the Bush administration and Congressional Democratic leadership on the Free Trade Agreement with Peru shows the right direction to reconstruct a sustainable national policy. It is not viable to stress the benefits of expanded trade for those who prosper and ignore its costs for others, nor can the United States expect open access for its exports while retaining strong protectionism for itself. More needs to be done to compensate, protect, retrain and provide technical assistance and access to credit to those who are displaced by expanded trade, both in this country and in the economies of our trading partners. Work to win support both from business and labor to adopt approaches that keep the United States globally competitive and also open greater export opportunities to developing countries, including those of Latin America, rather than intensify rear-guard protectionism.

- Rethink the “war on drugs” and the overwhelming emphasis on supply-side approaches that characterize that “war.” Drop the “war” metaphor, which induces and reinforces our tendencies to look for “victory” against a defined enemy and to favor coercive instruments to advance our efforts. Stop talking about “narco-terrorists,” even though there are undoubtedly links between traffickers and guerrillas, because the narcotics issue is not really about terrorism nor is it fundamentally about military security. It is rather a complex societal, cultural, medical and institutional problem that has as much to do with deep-seated failures in our own and other advanced industrial countries as with weak governance, crime, corruption and poverty in Latin American and other producing nations. The sooner and more honestly we tackle the roots of this destructive business, the more likely we are to be able to enlist international cooperation to diminish its scope and impact.

Give high priority to efforts to deal with prevention, treatment, rehabilitation and youth employment programs at home; provide more investment in alternative development programs for regions where growing drug crops currently seems like the only alternative to dire poverty; and concentrate more on disrupting the financial and small arms flows that lubricate and facilitate the drug trade.

5. Focus on the unique U.S. relationship with our closest neighbors in Mexico, Central America and the Caribbean. The “intermestic” issues that arise from the unprecedented high level of mutual interpenetration between the United States and these close neighbors are particularly hard to handle. That is in part because the democratic political process, both in our country and in that of our neighbors, pushes policies in directions that are diametrically opposed to what would be needed to secure the level of international cooperation required to manage thorny problems that transcend borders. The treatment of immigration policy and of narcotics by the U.S. policy-making process and especially by Congress, exemplifies what needs to be fixed, and suggests how difficult that will be. Dealing with these issues will require new definitions of interests that transcend boundaries, new policy approaches, and, very likely, even new institutions. It is time for serious exploration of the concept of a North American Community.

6. Recognize that Brazil’s long-trumpeted future has arrived, or at least is much closer. In the last twenty years, Brazil has opened important parts of its economy to international competition, modernized much of its agricultural sector, and developed a number of industries with continental and even world-wide presence. Brazil has slowly but surely strengthened its state, private sector and non-governmental institutions. It has secured financial stability, attracted substantial foreign investment, and produced steady if still modest economic growth. Together with Chile, Brazil has also led the way toward reducing absolute poverty and gross inequity, two of the most intractable problems faced by Latin America

and Caribbean nations. And Brazil is making notable though highly uneven and still far from sufficient progress in combating corruption, impunity, crime and lack of accountability.

Work closely with Brazil to pursue shared interests in strengthening global governance, promoting regional stability, protecting the environment and public health, and enhancing energy security. And work with Brazil to reconcile or at least manage our conflicting international economic and commercial interests by striving together to overcome short-term interest groups pressures in order to facilitate long-term expanded trade and prosperity.

7. Accept that the central quandary in the countries of the Andean Ridge derives from the fact that these nations are all, to differing but invariably high degrees, plagued by extremely weak political institutions, and by the unresolved integration of large indigenous populations, and / or of those, not only indigenous, who live in extreme poverty. Extensive poverty and gross inequity, social exclusion, rising ethnic and sub-national regional consciousness, and the weak presence of the state in rural areas are an extremely volatile combination. In these circumstances, the mantra that free markets and democratic politics strengthen and support each other in a powerful virtuous circle does not work.

The narcotics trade is at least as much symptom as cause of these conditions; addressing the drug trade alone will therefore have little effect. By the same token, combating the guerrilla and paramilitary movements through military means alone is unlikely to have any enduring impact. Only if and when the underlying and interrelated problems are addressed in integral fashion can the Andean Ridge nations hope to achieve sustained political stability and democratic development. Nothing the United States can do will substitute for local leadership that deals with all these fundamental problems. Where such leadership emerges, the United States should support its efforts, without becoming so intrusive as to become part of the problem.

Each of the Andean countries is distinct, and the situation in several of these is fluid and uncertain. Peru's democratic government struggles to overcome deep alienation and opposition in the country's highland and jungle regions. In Bolivia and Ecuador, efforts to re-found national identity, build new political institutions and revert to resource nationalism face strong internal regional opposition, the constraints of the international economy and deep suspicion from established national elites and middle class professionals. Colombia has made important progress in overcoming insurgent movements but still remains a violently divided society. And Venezuela is becoming every month more polarized, with Hugo Chávez' march toward more consolidated personal rule on the basis of popular support from sectors previously without voice or influence. Protecting U.S. interests in these circumstances requires patient and case-by-case treatment, not broad policies to reverse a supposed Pink Tide.

8. Cuba cries out for new U.S. policy responses to changing circumstances. The long-standing U.S. policy of denial and exclusion was developed in the Cold War context and reinforced by elements of the Cuban-American community. It is high time to redefine the objectives of U.S. policy, in the light of a different international context, the ongoing succession in Cuba, the evolution of the Cuban-American community, and broader U.S. interests. The primary aims of U.S. policy at this stage should be to increase the likelihood that Cuba and the United States can cooperate on a considerable agenda of shared interests—migration, energy, narcotics, the environment, responding to hurricanes and other disasters, and protecting public health. On the basis of such cooperation, the United States, in concert with other countries, can help nurture the reintegration of Cuba into the inter-American community of countries recognizing the goals of democratic governance and the rule of law.

9. Understand and explain to the American people that if the countries of Latin America and the Caribbean could reduce poverty, gross inequities and ethnic exclusion, we in the United States would gain more stable neighbors, expanded markets, more attractive investment opportunities, more congenial tourist destinations, and diminished pressures for mass migration. It is very much in the interest of the United States to support Latin American efforts to reduce poverty, gross inequity and exclusion. These are all conditions that fuel polarization, lend themselves to demagogic exploitation, and undermine both democratic governance and sustainable policies of economic growth and development.

Our public policy instruments and resources are too limited to make a dramatic impact; this is not the time for another “Alliance for Progress.” But the United States can certainly do much more than pale imitations of the Venezuela-Cuban programs announced on President Bush’s 2007 trip to Latin America: visits by a U.S. hospital ship to various Latin American ports and increased scholarships for study in the United States. We can enhance the social impact of remittances; support micro-finance programs; establish a region-wide social development fund to target poverty reduction efforts and engage especially vulnerable populations; support innovative educational reforms; combat small arms trafficking; and deal with youth gangs as a transnational problem. Many of these programs already are in place, but your administration should give them much more emphasis and support, which would not be very expensive.

10. Finally, work to restore the sense of partnership that has been so damaged by the international behavior of the United States in the past few years. President George W. Bush has traveled to Latin America and the Caribbean more than any other U.S. president, and specific U.S. policies in the Western Hemisphere have been on the whole positive, if insufficient. But the stature and appeal of the United States have plummeted because of unilateral and coercive U.S. policies elsewhere in the world and U.S. efforts to impose Washington’s worldview on other countries. The greatest contribution your administration could make to improving



inter-American relations would come from restoring an overall U.S. world role that is respectful of international law and opinion, cooperative rather than domineering, committed to multilateralism and international institutions (including the Organization of American States and the United Nations), sensitive to South American aspirations for broader international recognition, and true to the fundamental values that are shared by citizens throughout the Americas.

# Articles

