

The United States and Latin America: The Neighbourhood has Changed

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More often than not, United States policies toward Latin America and the Caribbean have had the appearance of a kaleidoscope. They are shaped by so many different forces and variables that it is hard to find a consistent pattern of decision-making. On its face, this should not be a surprise – given the enormous variations among the 33 countries of this diverse region and the multitude of interests at play in their relations with the United States.

Still, Washington has always considered Latin America and the Western Hemisphere as its neighbourhood. President Ronald Reagan referred to it as the US' front yard; many times it has been treated as a backyard. Over the years, Latin American nations have always been identified as special, different from the rest of the world. In presidential speeches, they are almost always referred to as partners and/or neighbours. At times, Washington has portrayed the hemisphere as a 'community'. Yet Latin American governments have almost never felt themselves to be equal partners (or partners at all), and have rarely seen themselves as members of a community that included the United States. Part of the disconnect is that, probably more than in other parts of the world, the United States' declared policies are not serious statements of plans and priorities, but instead, tend to express aspirations and values, or perhaps just wishful thinking.

To be sure, over many decades, the United States has played a central part in the creation, operation and financing of the hemisphere's regional organisations – the Organization of American States (OAS) and the Inter-American Development Bank, particularly. It has exercised a dominant influence over those institutions, at least until very recently. Latin Americans tend to believe that the United States has used the multilateral organisations mostly to pursue its own economic and political interests, not as a means for collective decision-making or genuinely cooperative initiatives.

Many US policies and actions in the region are driven by critical global developments such as the Cold War or the 'war on terror'. Others are a response

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to national or regional events in Latin America. But it is the central, often preponderant role of US domestic politics in Washington's decisions about Latin America that most distinguishes the region from other parts of the world. Politics rarely stops at the water's edge when it comes to Latin America. Washington's ideological battles regularly intrude on US policymaking in the region.

All this suggests that the United States has never done a particularly good job of conceptualising and organising its relationship with Latin America. It has only occasionally succeeded – in either the United States or the region – in communicating the objectives it is pursuing or its strategy for achieving them.

This article starts with a brief discussion of US policy in the Western Hemisphere during the Cold War years, but it mainly focuses on the past two decades, since the fall of the Berlin Wall and the collapse of the Soviet Union. From 1989 to 2001, US policy in Latin America was ostensibly directed toward forging a more integrated, cooperative hemisphere – a goal that was shared by most nations in the region. Although by 2001 they were clearly losing momentum, negotiations were continuing toward a hemisphere-wide free trade arrangement that would include every nation of the Americas (except Cuba). The hemisphere's heads of state, for the first time ever, gathered on a regular basis at the Summit of Americas, which was launched in Miami in 1994, to discuss regional issues. At their third meeting in seven years, in April 2001, they agreed to draft the Inter-American Democratic Charter to codify the hemisphere's democratic principles and commit to the collective defence of democracy in the Americas. The Charter was formally signed on 11 September 2001.

During the following ten years, US foreign policy attention turned sharply to the Middle East. Washington's integrationist strategy for the Americas unravelled as its weaknesses and inconsistencies became increasingly visible. For their part, Latin American governments became increasingly independent and assertive in their foreign policies, diversified in their international relations, and more inclined to challenge US leadership and initiative. The United States has not yet come fully to grips with this changing context of hemispheric relations. The G.W. Bush and Obama administrations remained, at least rhetorically, wedded to the idea of partnerships and shared responsibilities with Latin America, but these concepts seem less and less relevant to the region's evolving context.

What the past two decades of US–Latin American relations may have most clearly revealed is how difficult it is for Washington to define and execute a coherent policy in the region – with officials constrained by domestic politics, far more urgent demands on its foreign policy resources, and an increasingly independent and self-assured Latin America. The fact is that US policies toward Latin American and the Caribbean are almost invariably derivative policies. They tend not to be the result of a careful calculation of US interests and values and a clear view of what it will take to advance them. Instead, they tend to be

mostly shaped by US domestic political considerations or by the demands of global issues.

The Cold War years: the dominance of national security

For most of the 20th century, Latin America and the Caribbean were not an important concern of US foreign policy. Washington maintained enormous influence across the hemisphere and faced no serious external competitors. The United States was not well liked or trusted by Latin American governments, but they were in no position to resist the political and economic leverage of the US.

From its beginning, the US–Soviet rivalry made the United States government uneasy about communist parties and leftist leaders in the region – and its anxieties were reinforced by US economic interests. But Latin America emerged as a strategic concern only after Fidel Castro took power in Cuba in 1959. It did not take long for the United States to see Cuba as a Soviet outpost in the region, which would be used to export revolution and subvert other Latin American regimes. And the United States reacted quickly. Less than three months after Castro formed a government, then US President Dwight Eisenhower had developed a plan to oust him. A year later a partial embargo was imposed on the island. Within a few months of taking office in 1961, John Kennedy authorised the Bay of Pigs invasion to overthrow the Castro government with a group of CIA-trained expatriate Cubans. The failure of the invasion was followed by a stiffening of the US embargo, and not long thereafter, Washington succeeded in having Cuba suspended from the hemisphere's regional organisations – despite the objections of most Latin American countries, including Argentina, Brazil, Mexico and Chile.¹

The Kennedy Administration concluded, however, that sanctions against Cuba and efforts at regime change were not a sufficient response to the Soviet and communist challenge in the hemisphere. That approach promised to alienate the rest of Latin America and create greater sympathy for the Cuban government and increased support for social and communist parties in the region. That is why Kennedy and his advisors, after only three months in office, announced the Alliance for Progress, one of the largest foreign assistance programs ever in US history. It was designed to help Latin America speed up its economic growth and social development, reinforce political democracy in the region, and serve as an alternative model for change in unjust societies. These efforts were viewed as needed antibodies to counter the Soviet/Cuban threat, and were welcomed by most countries in Latin America. The Alliance was based on the idea that the principal source of Cuba's appeal in Latin America was the failure of governments

¹ See Westad, *The Global Cold War*.

there to deliver material progress and good government to their citizens. This was expressed with a flourish by JFK himself when he said, “Those who make peaceful revolution impossible will make violent revolution inevitable.”²

There should be no doubts. The Alliance for Progress was a massive program. Although it did not quite measure up to the Marshall Plan for post-World War II Europe, it offered support of some USD20 billion over ten years. As a percentage of US GDP, the equivalent today would be transfers of about USD60 billion annually.³

Opinion divides on what the Alliance actually produced: whether it fundamentally failed or whether it helped bring about real, although hardly spectacular, gains in economic growth and improvements in health, education and child survival. Regarding the Alliance’s democratic aspirations, there is no debate. They were largely forgotten or ignored, as Latin America entered one of its most brutal periods of authoritarian rule. In the 1960s and 1970s, all but a small handful of Latin American countries came under dictatorial rule – a few with the help or at least tacit approval of Washington.

What the Alliance promised, at best, was a longer-term solution to the region’s perennial problems of instability and insurgency. If successful it would, over time, dampen enthusiasm for communism and Soviet intrusion. Washington, however, became increasingly concerned by the prospect of more imminent threats of another Cuban-style revolution in Latin America. The Johnson administration not only ignored the Alliance requirement that the United States distinguish between democratic and authoritarian governments in awarding aid dollars. It also led an invasion of the Dominican Republic in 1965 to keep a vaguely leftist movement from coming to power, and was probably responsible for encouraging the 1964 military coup in Brazil against the left-leaning government of Joao Goulart.⁴ The US role in subsequent military coups in countries like Uruguay and Chile is still in dispute, but Washington was surely not unhappy with their outcomes. It should not surprise anyone that during the Cold War, Washington spent heavily on campaigns to secure the election of friendly governments in many places.⁵

US Cold War policy in Latin America was not dedicated exclusively to US security. Washington had concerns beyond keeping the Soviet Union out of Latin America and preventing another Cuba. Economic interests were expanding rapidly in the region, which had become a major destination for US investment. Latin America became a crucial source of raw materials and energy, particularly

² Address on the first Anniversary of the Alliance for Progress, 13 March 1962.

³ US Department of State, Office of the Historian, “Milestones: 1961–1968, Alliance for Progress and Peace Corps, 1961–1969”, <http://history.state.gov/milestones>.

⁴ See Gordon, *Brazil’s Second Chance*.

⁵ See Falcoff, *Modern Chile, 1970–1989*.

after Mexico became a major supplier of petroleum. President Jimmy Carter included human rights as a priority on the US agenda, and development assistance was directed to a large number of the region's countries. Immigration and drug flows from Latin America emerged as important issues in the 1970s as well. And it was a historic moment in 1978 when the United States Senate, after a bitter national debate, narrowly approved the Panama Canal treaties returning the waterway to Panamanian sovereignty.

Still, security trumped all other issues. And it made the United States a very intrusive, and not particularly respectful, neighbour. Washington built close relations with military and intelligence services across the region, and developed multiple channels of political influence, including the media, to bring about desired political outcomes.

In the late 1970s, Central America emerged as the focus of US attention. The critical turning point was in 1979 when the Sandinista National Liberation Front (FSLN) overthrew the dynasty in Nicaragua and established its revolutionary government. The toppling of Anastasio Somoza's dictatorship was the first successful leftist insurgency in Latin America since Fidel Castro took power 20 years earlier. It conveyed a powerful message to many in Washington about the continuing threat of Cuba and the Soviet Union in hemispheric affairs.

For the 18 months it was in power following the Sandinista triumph, the Carter administration sought to avoid open confrontation but found little common ground with the new Nicaraguan government. Soon after he came to office in 1981, Reagan approved CIA support for the Contras, the anti-Sandinista rebels that the United States helped to assemble. Meanwhile, in nearby El Salvador, the United States substantially increased its military and logistical aid to the Salvadoran government to defeat another leftist insurgency. The United States withdrew most of its support for the Guatemalan army in its battle against guerrilla forces, ostensibly because of the brutality of its counter-insurgency, but it was also clear that the rebels had no chance of winning in Guatemala. Across Central America, Washington contributed considerable aid for economic and social development. But the fact that US development aid was slashed once insurgencies ended made clear the order of US priorities in Central America.

Interestingly, Central America's wars produced what was possibly the first Latin American-wide initiative to press Washington for a major change in policy. In 1983, Venezuela, Mexico, Panama and Colombia formed the Contadora Group to persuade the United States to accept a negotiated settlement of the conflicts. Although the Group failed to gain the agreement of the United States, it quickly secured the support of Brazil, Argentina, Peru and Uruguay and subsequently pointed the way to the peace negotiations that ended the wars – which produced a Nobel Prize for Costa Rican President Oscar Arias. The Contadora Group and its supporters were eventually reconstituted as the Rio Group, which continues to have

a political role in regional affairs and recently became the basis for the newly formed Community of Latin America and the Caribbean (CALC), whose membership includes every hemispheric nation except the United States and Canada. Some view CALC as a potential alternative to the OAS.⁶

The Central American conflicts, paradoxically, contributed importantly to the development of a bipartisan US policy to promote democracy across Latin America and worldwide. The Carter administration had set the stage with its strong support for human rights and democratic governments that would protect those rights. The Reagan administration defended its interventions in Central America as part of an international effort not only to halt the spread of communism, but to aggressively advance democracy. By the mid-1980s, the administration had come to recognise that it was neither consistent nor credible to claim that it was fighting for democratic outcomes in Central America, while it continued openly to support a dictatorship in Chile. Some in the administration were also persuaded that Pinochet's repressive rule could potentially lead to the emergence of a communist, anti-US regime in Chile.⁷ These were the grounds for a growing consensus among Democrats and Republicans that both human rights and democracy should be essential priorities for US foreign policy.

Again, although national security was the driving force of Washington's hemispheric policy for most of the 1980s, the US agenda in Latin America included a wide spectrum of other issues. The most troublesome was Latin America's economic crisis of high debt and slow or no growth, usually referred to as the region's 'lost decade'.

The crisis materialised in 1982 when Mexico's finance minister announced to his counterpart in Washington that the country could not continue payments on its foreign debts. Bank lending to Mexico and the rest of Latin America came to a halt and the region's economies went into reverse, beginning nearly a decade of stagnation. In response, most Latin American governments reshaped their development strategies. They turned more and more to orthodox economic policies, imposed tough fiscal restraints, sharply reduced state ownership and direction of the economy, and gave new emphasis to exports. These changes brought Latin American economic management into closer convergence with that of the United States, and set the stage for subsequent free trade and integration initiatives.

Also in the 1980s, two other issues – immigration and the drug trade – assumed major importance in US–Latin American relations. Both would become perennial sources of controversy and conflict in the relationship, and little progress would be made in effectively addressing either.

⁶S. Camarena, "Latinoamérica acuerda un bloque regional sin EE UU", *El País*, 23 February 2010.

⁷See Falcoff, "Pinochet, the Opposition, and the United States".

After the Cold War: the first Bush and the Clinton administrations

With the Cold War concluded and the Soviet Union in shambles, the US security agenda shrank dramatically and Latin America became largely irrelevant to what remained on that agenda. The way was open for a fresh US approach to hemispheric relations. (Surprisingly, US policy toward Cuba, the major legacy of Cold War policies, hardly changed; Cuba was an issue of domestic politics not of security.) It was not only the end of the East-West rivalry that set a new context for US–Latin American relations, however. Perhaps even more important were the fundamental changes taking place in the region.

Three shifts were particularly significant. First, by the early 1990s, every Latin American country aside from Cuba had an elected, civilian government. Although pockets of authoritarian rule remained, as in Mexico, and democratic practice was imperfect in most countries, democracy had clearly become the norm throughout the hemisphere. Second, the debt crisis had led most Latin American governments to adopt a series of badly needed reforms that transformed their economies. Finally, Central America's wars were winding down, bringing peace and a measure of stability to that long embattled region. Global changes also had an impact on hemispheric affairs. The world was clearly globalising, and the perception was that nations of Europe and Asia were taking greater advantage of the new opportunities than the countries of the Americas, and that the hemisphere had to catch up.

The implications were clear. US policy was no longer predominantly shaped and constrained by security concerns. Latin America's anxiety about US political or military interventions subsided. Perhaps more than ever before, there was emerging, between the United States and Latin America, a convergence of interests and values around such goals as reinforcing democratic politics and the rule of law, building growth-oriented economic agendas, investing in social development, and strengthening the hemisphere's global competitiveness. The prospects for regional political and economic cooperation appeared greater than ever.

The George H.W. Bush administration responded quickly to the new opportunities in hemispheric affairs. Within weeks of taking office in January 1989, the president announced the Brady Plan, the first US initiative to call for a reduction, albeit modest, of Latin America's still high debts as a means to spark the region's growth. The United States had finally accepted the approach that Latin American governments had been advocating for some time. George Bush also moved quickly to pursue negotiations in Central America, and peace agreements were successfully reached within two years in Nicaragua and El Salvador, and four years later in Guatemala.

By May 1990, President Bush declared that the United States would formally initiate free-trade negotiations with Mexico, and managed to sign the North American Free Trade Agreement (NAFTA, which included both Mexico and

Canada) by the time he left office in January 1993. Just as importantly, in June 1990, the president announced the Enterprise of the Americas Initiative (EAI), which proposed the establishment of a hemispheric-wide free trade arrangement, involving every country of the Americas. The proposal was welcomed across Latin America. Bush was insistent that free trade and economic integration be a central pillar of US post-Cold War strategy in the hemisphere.⁸

Another pillar was greater political cooperation. Washington worked hard to gain approval for the OAS' Santiago Resolution, which called on the governments of the hemisphere not only to support democracy in principle, but also to act collectively to help build, reinforce and defend democracy in countries where it was at risk or under assault.⁹ Efforts to apply the resolution to the 1991 military coup in Haiti and to Alberto Fujimori's so-called self-coup in Peru in 1992 mobilised support across the hemisphere, even though it did not achieve much in practice. Bush also sought to put a multilateral stamp on the US battle against drugs, and brought together the presidents of the hemisphere's six or seven major drug-producing and transit countries to identify and develop cooperative solutions (although they never materialised).

In his policies toward Latin America, George Bush Senior was the most creative and constructive president in recent memory, more so than Kennedy, although he never enjoyed the same warmth and admiration that Latin Americans had for the assassinated leader. His reputation in Latin America suffered two missteps – the US invasion of Panama to unseat dictator Manuel Noriega, which was viewed in the region as disproportionate and unnecessary, and his limited response to the military's overthrow of Jean-Bertrand Aristide in Haiti in 1991.

The Clinton administration, which came to office in January 1993, sustained nearly all of Bush's hemispheric initiatives. After months of intensive negotiations and bitter debate, Clinton presided over the final approval of the NAFTA agreement in November 1993. Immediately thereafter, the administration announced plans for a hemisphere-wide summit meeting of democratically elected presidents (excluding only Fidel Castro), the first gathering of hemispheric leaders since 1967. The result was the December 1994 Summit of the Americas meeting in Miami. It was a high-spirited event. The assembled presidents and prime ministers, to varying degrees, demonstrated considerable enthusiasm for the development of an increasingly common hemispheric agenda. They agreed overwhelmingly that a hemispheric free trade deal (FTAA) should be completed by 2005.¹⁰ The meeting

⁸ President George H.W. Bush. "Remarks Announcing the Enterprise for the Americas Initiative", 27 June 1990, Washington, DC.

⁹ OAS, *Santiago Commitment to Democracy*, "Resolution AG/RES. 1080 (XXI-O/91), 'Representative Democracy'", 5 June 1991.

¹⁰ "Summit of the Americas Plan of Action", adopted 11 December 1994.

and its results may well have been the high point of inter-American convergence and cooperation.

Two weeks after the summit (and less than a year after NAFTA came into force), with little warning, Mexico's currency collapsed and the economy went into a tailspin, precipitating the so-called Tequila crisis. Despite congressional resistance to any 'bailout' from Washington, the administration's response was swift, massive and effective. It helped keep Mexico solvent, and allowed for a quick economic rebound. Some argue it was the Clinton administration's finest policy moment in Latin America. It certainly demonstrated the value of a close relationship with the US, although it also made clear that a free trade agreement with the United States is not an iron-clad guarantee of protection against economic crisis.

Although President Clinton himself remained a popular figure in Latin America, US policy in the region was disappointing during his second term. With most key Democratic constituencies opposed to free trade, the administration never pressed hard enough in Congress to renew fast track negotiating authority. Certainly, Clinton never repeated the huge effort that he had made to secure NAFTA's passage. Fast track authority, which had lapsed shortly after the approval of NAFTA in 1993, was a crucial prerequisite for negotiating the hemisphere-wide Free Trade Agreement of the Americas (FTAA), and for convincing other nations like Brazil that the United States was committed to doing so. Without fast track, US credibility on trade issues diminished considerably. In Latin America, the Clinton administration's failure to secure fast track was evidence of Washington's lagging commitment to the region. Indeed, in his opening remarks at the Santiago Summit in 1998, President Clinton apologised to the assembled Latin American leaders for that failure.¹¹

The administration's policy faltered on other fronts as well. The Clinton White House was slow to respond to the gathering crises in the Andean region, and unwilling to recognise that its anti-drug strategy was contributing to the region's troubles. Plan Colombia, subsequently launched by Clinton in 1999, was a constructive effort to assist Colombians in their prolonged struggle against illegal armed groups, but it should have been initiated several years earlier and focused less on anti-drug measures and more on restoring acceptable levels of security to the country. It was opposed by most other countries in South America, which were suspicious of US motives. Despite the growing public evidence of sordidness and tyranny, Peruvian President Alberto Fujimori was backed far too long by the administration. It helped resolve a bitter Peruvian-Ecuadoran border dispute and was instrumental in avoiding a military takeover in Ecuador after President Jamil Mahuad was deposed, but it did little to assist the country in weathering its financial crisis. The Clinton White House, together with the International

¹¹ "Remarks by the President at Opening Summit of the Americas", Santiago, Chile, 18 April 1998.

Monetary Fund (IMF), also continued to applaud Argentina's economic policy course even as the signs of impending danger mounted. It was only at the eleventh hour that the administration initiated long-promised negotiations toward free trade with Chile.

In the final years of the Clinton administration, aside perhaps from Plan Colombia, which had little support in the region, Latin America policy had no guiding focus or clear objectives. Policies were reactive and framed on an issue-by-issue, country-by-country basis. And Latin Americans had many reasons for their then sour mood. Democracy and free markets were just not working as planned. Instead of stable, growing economies and vibrant politics, the region suffered economic slowdowns and crises, and political life in many places became dispirited. The 1998 election of Hugo Chavez in Venezuela reflected this malaise. The United States, unable to deliver on its promise of closer, more productive economic ties, began to appear less and less relevant to Latin America's needs.

George W. Bush in power: security again dominates US foreign policy

At the outset of the George W. Bush administration in January 2001, there was considerable hope in Latin America that US policy would be reshaped to reflect the new president's campaign speeches and pledges, which had demonstrated that Bush was informed about the region and its problems and committed to giving them priority. Latin America's expectations were boosted by the president's early enthusiasm for reinvigorating ties with the region,¹² which was particularly visible at the third Summit of the Americas in Quebec City, Canada.¹³

The 9/11 attacks, however, erased any prospect that Latin America would be anything other than a second-order priority. Although the G.W. Bush administration pressed forward with an ambitious trade agenda, the ensuing war on terrorism ended US leadership for a more integrated and cooperative hemisphere. It was, coincidentally, on 11 September 2001 that the hemisphere's foreign ministers (including US Secretary of State Colin Powell) signed the Inter-American Democratic Charter, an important symbol of political cooperation in the Americas. US–Mexican ties have always been a bellwether of US policy toward Latin America. After an initial period of intense engagement between the new governments of Presidents Bush and Vicente Fox (whose election ended the

¹² Presidential candidate George W. Bush, "Western Hemisphere Campaign Speech", Miami, 25 August 2000.

¹³ President George W. Bush, "Remarks at the Summit of the Americas Working Session in Quebec City", 21 April 2001.

70-year dynasty of Mexico's Institutional Revolutionary Party, PRI), relations cooled significantly. Indeed, no country saw its relationship with the United States set back more than Mexico in the aftermath of the September 2001 attacks.

The distractions of wars in Iraq and Afghanistan and the general refocusing of US policy on anti-terrorism and the Middle East inevitably meant that hemispheric affairs would remain on the periphery of Washington's foreign policy agenda. Moreover, many Latin Americans began to view the US largely through the lens of Iraq and Guantanamo, and resented what they perceived as Washington's unilateralism, excessive reliance on military force, and disregard for international rules and institutions. US credibility was badly damaged as well by several regrettable policy choices in the region: Washington's inattention to Argentina's impending economic collapse in 2001; its uncompromising approaches to Cuba; the Bush administration's quick praise for the 2002 coup against Hugo Chávez, which was reversed a day later; the rigidity of US anti-drug policies in the region; and the decision to construct a 'wall' on its border with Mexico to curb illegal migration. The US financial meltdown in 2008, which put Latin America's social and economic progress at risk, was another source of resentment, although it later became a point of pride that the region's economies weathered the crisis far better than those of the United States and Europe.

Still, Bush made considerable progress, certainly far more than his immediate predecessor, on the centrally important trade agenda. The White House fought hard to win a one-vote majority in the House of Representatives and gain congressional approval of trade promotion (formerly fast track) authority. True, the administration imposed new barriers on some key Latin American exports with its decision to increase agricultural subsidies and steel tariffs, but it was these protectionist measures that produced the votes needed to gain fast track approval.

The Bush administration was unable to find sufficient common ground with Brazil to pursue hemisphere-wide free trade. FTAA negotiations were suspended in 2004 and never resumed. But it did manage to keep the trade agenda at the center of its Latin American policy through its program of 'competitive liberalisation', meaning simply signing free trade agreements with the countries willing to negotiate them. A US–Chile free trade pact, which had been in the works for nearly a dozen years, was finally concluded. CAFTA agreements were signed with the five Central American nations and the Dominican Republic, and a Peruvian free trade deal was approved. The administration also managed to conclude negotiations with Colombia and Panama, but was not able to gain their ratification in the Democrat-dominated House of Representatives. The two pacts have remained in limbo. This was a far stronger record of achievements in hemispheric relations than that achieved by the Clinton White House.

US–Latin American political cooperation clearly deteriorated, however.¹⁴ This, in part, was due to the general distaste for the Bush administration’s international policies, but more importantly to changes within Latin America. The region’s governments had become far more independent and assertive than ever before in their relations with Washington, and far more ambivalent about the role the United States should play in hemispheric affairs. Most Latin American nations were developing a diversity of international ties, and many were advocating new hemispheric arrangements that would diminish Washington’s influence in the region. Brazil emerged as an alternative pole of power in the hemisphere, with a steadily increasing regional and global profile – and, while maintaining friendly ties, has clashed with the United States on a range of issues. A few countries, led by Venezuela, have become open adversaries of the United States and a disruptive force in inter-American institutions like the OAS and the Summit of the Americas.

The Obama administration

The electoral triumph of Barack Obama was enthusiastically welcomed in Latin America and the Caribbean.¹⁵ The spirited reaction to Obama’s election made it clear that Latin Americans wanted a good relationship with the United States, but that they also wanted the United States to pursue a different approach to the region and to foreign policy generally. Expectations for the new administration were high throughout the region.

In contrast to many of his predecessors, Obama did not present a grand vision or a broad strategy for US policy in the hemisphere. Instead, he saw his presidency as an opportunity to solve some long-standing problems, reduce discord and friction, and encourage greater cooperation. Most of all, he promised a change in style and emphasis – fundamentally a turn to multilateralism and partnership, and a closer alignment of the United States and Latin American policy agendas. This would be a time to reinvigorate US relations in the hemisphere and perhaps set the stage for a new approach to regional affairs, not to embark on major new initiatives.

Obama himself remains widely admired and extremely well liked in Latin America, but his administration has not managed to improve the quality of US–Latin American relations or develop more productive regional ties.

The new president’s overcrowded agenda has left little room for Latin America. Foreign policy has generally taken a back seat to the US’ economic problems, health reform and myriad other domestic challenges. Latin America has had no chance of competing successfully for Washington’s limited foreign policy attention with the wars in Iraq and Afghanistan, Iran’s nuclear ambitions and China’s expanding global muscle.

¹⁴ See Hakim, “Is Washington Losing Latin America?”

¹⁵ Pew Research Center, “Confidence in Obama Lifts US Image”.

The intense and bitter partisanship of Washington has compounded the problem. Neither Democrats nor Republicans have been eager to take on the politically volatile challenge of immigration reform, which remains the highest priority issue for Mexico and most nations of Central America and the Caribbean.¹⁶ Though the US Congress finally ratified the long-stalled free trade agreements with Colombia and Panama, only one in six Democrats in the House voted for both pacts. A Republican majority in the lower house of Congress now blocks any further relaxation of Cuba policy.

Finally, an increasingly assertive and politically divided Latin America has also complicated US policymaking. Only a few countries are openly hostile to Washington, but across the region, governments have demonstrated a growing independence from the US. They have built diverse relations internationally, and increasingly resisted US approaches. These are natural trends for a region of middle income countries that is expanding economically, more confident of its ability to resolve its own problems, and developing a significant global presence. They do not necessarily represent a setback for the United States. Over time, they might well allow for more productive hemispheric partnerships. But, today they are a major source of friction in US–Latin American relations, which have been strained by disagreements over Honduras, regional efforts to restore Cuba to OAS membership, South American opposition to the US–Colombia defence pact, and Iran’s ties to Brazil and other nations.

Conclusions

The current trend in US Latin American policy reflects diminishing attention to the region as a whole, a retreat from efforts to formulate a Latin American-wide policy, and a growing focus on two countries in the region, Mexico and Brazil. To be sure, the United States continues to maintain active economic and political relations with most other countries of the region. But, beyond Mexico and Brazil, sustained, high-level attention in Washington is reserved for those countries facing severe hardships or crises – Haiti, for example, with its devastating earthquake in 2010, and Central American nations confronting a growing threat to their political stability from organised crime.

Mexico is the country that presents the United States with both its toughest challenges and greatest opportunities for productive cooperation in the hemisphere. No other country affects the lives of US citizens more than Mexico. The two nations share a 2,000-mile border that is crossed legally some 250 million times per year. Mexico sends upwards of 80 percent of its exports to US markets and is the United States’ third largest trading partner after Canada and China. Mexico

¹⁶ See Inter-American Dialogue, *A Second Chance: US Policy in the Americas*, March 2009.

accounts for two-thirds of US trade with Latin America and half of its energy imports from the region.¹⁷ It is also overwhelmingly the largest source of immigrants to the United States, both legal and illegal, who account for most of the US work force growth and are critical to its economy.¹⁸ Over the longer run, the central challenge for US–Mexican relations is managing the accelerating economic and demographic integration of the two vastly different nations.

But today, Mexico faces a complex of dangerous security problems that have turned the country into Washington’s most troublesome foreign policy test. A four-year military campaign against the drug gangs, supported by the US government, has produced few gains. The violence has continued to escalate, wreaking havoc on public safety and the rule of law; undermining the credibility of the nation’s army, police and justice systems; and, in some areas, challenging the authority of the government. No one yet has offered a credible alternative approach. The United States and Mexico have developed a solid working relationship at the operational level, but tensions between the two countries have nonetheless deepened in recent years. Mexicans increasingly view US drug consumption and loose gun laws as mostly responsible for the violence in Mexico, and are increasingly alienated by the United States’ failure to reform its broken immigration system, which mostly victimises Mexicans and Central Americans.

Brazil’s rapidly escalating regional and global influence represents a pivotal change in inter-American affairs. The ability of the United States to pursue its agenda in Latin America increasingly depends on Brazil’s willingness to cooperate with or at least accommodate US initiatives, and the United States has increasingly had to engage with Brazil on a variety of global issues as well. Both regionally and internationally, the US–Brazil relationship involves both conflict and cooperation.¹⁹

The two countries are at odds on many policy issues, and Brazil advocates new institutional arrangements for the region that portend a reduced US role in Latin America. Still, Washington has maintained friendly ties with Brazil and will almost surely continue them. But, as Obama’s visit to Brazil in March 2011 demonstrated, neither Brazil nor the United States is yet ready to develop a broad, long-term partnership.²⁰ They are not willing to make the concessions or accept the substantial compromises needed to build a more strategic relationship. The question is whether the two nations can find enough common ground to be able to cooperate more effectively and more consistently on specific issues of mutual concern.

¹⁷ “Snapshot: U.S.–Mexico Bilateral Trade”, US Embassy Mexico City, March 2011, <http://mexico.usembassy.gov>.

¹⁸ See, for example, Roseblum and Brick, *Mexican/Central American Migration Flows*.

¹⁹ See Hakim, “Brazil and the U.S.” and “¿Por qué Estados Unidos y Brasil?”

²⁰ See P. Hakim, “Obama Heads South”, *Infolatam*, 14 March 2011.

Washington's declining profile and influence in regional affairs is a reflection of Latin America's stronger economies and institutions, as well as the region's diversified international relations. There is today less need for US assistance and advice than ever, and a wider selection of investment and trade partners. China, particularly, has a large and steadily growing role in the region's economies, displacing the United States as the number one trading partner for Brazil and several other countries.²¹ Disputes among the region's countries are now routinely addressed by the countries themselves. Latin American governments are also taking initiatives to form their own regional arrangements and institutions that sometimes reinforce, but sometimes also compete with traditional inter-American organisations like the OAS.

It is early to discount the possibility of a resurgence of inter-American cooperation at some time in the future. Surely the United States shares enough common interests and values with Latin America and the Caribbean for cooperation and integration to benefit all countries. But for now, the trend is toward a Latin America increasingly independent of the US. Increasingly, the United States is dealing with Latin America as it does most other regions of the world – bilateral relationships are becoming more important while regional perspectives are diminishing.

Still it is hard to imagine Washington abandoning its regional or neighbourhood conception of its relations with Latin America. The approach is deeply grounded in history, reinforced by entrenched, if not always effective, institutions, and underpinned by the intensity of US economic and political relations with almost every country in the hemisphere. Secretary of State Hillary Clinton continues to talk about a community when discussing inter-American ties.²² But tradition and habit, even long-standing institutional arrangements, may not be enough to sustain a conceptual approach that appears to have less and less grounding in reality. Centrifugal forces are gaining strength year by year. The United States is becoming ever more focused on its own problems, while increasingly middle class, globalised Latin American nations are finding new partners, and determinedly pursuing their own course.

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²¹ See Arnson and Davidow, "China, Latin America and the United States".

²² See P. Hakim, "Futuro prometedor", *AméricaEconomía*, June 2011.

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