

# The US and Latin America: Repairing a Damaged Relationship

by Peter Hakim

Repairing the US relationship with Latin America will be a formidable challenge for the United States, regardless of who is elected president next year. Trust and credibility have to be restored among the region's leaders and ordinary citizens. The anti-Americanism that has taken hold in the region has to be reversed while the practice of political and economic cooperation has to be restored; however, the prospects for success do not depend only on Washington. The governments of Latin America and the Caribbean will also have to do their share to rebuild cooperation in the Americas, despite having lost confidence in the US as a reliable partner.

## DISHARMONY IN THE AMERICAS

Not so long ago, the United States and other nations of the Americas were celebrating a newly found political harmony and working to integrate their economies. The US, Canada, and Mexico ratified the trilateral North American Free Trade Agreement (NAFTA) in 1993. The following year, the hemisphere's heads of state assembled in Miami, for the first time in a generation, and agreed to negotiate a free trade arrangement among all thirty-four countries of the Americas. But convergence had its limits.

The Clinton Administration failed to obtain the congressional authority needed to advance hemispheric trade talks, and Brazilian President Cardoso made clear that, without substantial changes in US farm and commercial policies, Brazil would oppose any new regional free trade arrangements. Prospects for cooperation were set back further when a post-9/11 Washington redirected the bulk of its foreign policy attention to the Middle East. The US invasion of Iraq in 2003, opposed virtually everywhere in Latin America, was an especially damaging blow. By then, Brazil-US disputes had brought free trade negotiations to a standstill, and Hugo Chavez had become an increasingly disruptive force in hemispheric affairs by aggressively promoting his anti-US message across Latin America. However, Chavez is not responsible for the waning of US influence and credibility in Latin America, rather the opposite is closer to the truth. Washington's diminished authority paved the way

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for the Venezuelan leader's expanding role in the region. The erosion of US influence in Latin America and the rapid upsurge of anti-American sentiment were mostly consequences of the Iraq invasion and the subsequent conduct of the war. The combination of brutality and failure has been disastrous for Washington's image in a region long anxious about US power. In addition, US actions at Abu Ghraib and Guantanamo made Washington look hypocritical. For years, the US government had lectured Latin America about human rights and the rule of law, even when countries were fighting their own terrorists. Regardless, Washington seemed to turn its back on these principles when US security was at risk.

Washington's policies in its own hemisphere have also been damaging to US-Latin America relations. With the US so totally absorbed by the Middle East, it is not surprising that the Bush Administration has been viewed as largely unresponsive, even indifferent, to Latin America. Even more so, when the US tried to engage, it often was either ineffectual, overbearing, or uncompromising.

### **LATIN AMERICA IS ALSO RESPONSIBLE**

Latin American leadership and policies have also contributed to the deterioration of US relations with the region. Furthermore, many of Latin America's regional governments have resisted cooperation with the United States—and with each other as well. Besides Chavez, other Latin American leaders have, in varying degrees, turned to populist and anti-US rhetoric to win adherents and votes. Today, many Latin American nations are pursuing policies that make cooperation with the US more difficult and prevent the nations of the region from taking advantage of the enormous economic resources and political assets of the United States.

The collapse of negotiations for a hemisphere-wide free trade agreement was a mutual failure of both Latin America and the US. Brazil and the US together bear the blame for the derailing of hemispheric trade negotiations. In Argentina, at the fifth Summit of the Americas (Summit), the periodic gathering of the hemisphere's elected leaders, the assembled heads of state failed even to agree on a date to resume talks. Only five of the thirty-four assembled countries opposed the reopening of negotiations. Since one of the opposing countries was Brazil, that was enough to bring the talks to an end.

An array of regional institutions has been created by the US, Canada, and the nations of Latin America and the Caribbean, which prominently include: the regular Summit meetings, the Organization of American States, and the Inter-American Development Bank. Nevertheless, neither the United States nor Latin American members have constructively used these institutions; these institutions should be centers for resolving differences among countries and confronting shared problems. At times, they have served these purposes. But today, more often than not, conflicts and disagreements are played out rather than resolved in regional organizations.

Instead of using regional institutions to address disagreements over trade or other issues, governments often exclude these problematic topics from discussion or debate. At the last Summit meeting of hemispheric leaders in Argentina, the issue of

trade was omitted from the agenda. In addition, the Inter-American Democratic Charter, signed by every elected government in the hemisphere in 2001, has rarely been used to prevent or repair constitutional breaches.

It should be noted that Latin Americans have not stopped all cooperation with Washington. The US is either the first or second trading partner for almost every country in the region, and eleven of the region's eighteen countries have signed free trade agreements with the US (Although two of the countries—Colombia and Panama—still need US congressional ratifications). Recognizing the growing damage narcotics trafficking is taking on their own societies, Latin American governments have stepped up cooperation with the US in the battle against illicit drugs—even though most consider the US approach as rigid and often insensitive to domestic concerns. Following the ouster of President Aristide from power in 2004, Brazil and other countries of South America responded to US urging to assume responsibility for peacekeeping activities in Haiti. This was warmly welcomed in the US and has contributed to the current quality of US-Brazil relations—which have been further enhanced by cooperative initiatives on biofuels.

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Most Latin American countries pragmatically seek cooperation with the United States on an array of fronts, but they also have a mix of ideological and practical reasons for maintaining their independence from the US. In addition, the evolution of global affairs and recent developments in the region has facilitated an independent stance. There are few people anywhere who would argue for a return to US hegemony in the region. No one argues that Latin American nations should routinely accept US leadership and direction. Regardless of the various pressures for greater independence, the US is still a potentially critical asset for Latin America that can contribute in a variety of ways to the region's development. As such, Latin American countries can do more to pursue cooperation with the US and thereby help to build support in Washington for more sensible and mutually beneficial policies toward the region.

### **POLICY CHOICES**

Regardless of Latin America's choices, it is unlikely that the region will become a foreign policy priority for the United States. First of all, it is not a central front in the war on terrorism and is neither a source nor an objective of terrorist activity. Aside from Colombia's long-running conflict, Latin America is a region at peace, largely free of armed combat within or between countries. Latin America also does not offer the oversized economic opportunities of the rapidly growing countries of

China and India. Illicit drugs and undocumented immigration are important issues, but they are old, contentious problems that have mostly divided the US from the region. The challenge for Washington is to find a way to conduct a constructive and cooperative policy toward Latin America while the region remains a relatively low priority.

Mending US relations with Latin America requires Washington, in the first instance, to demonstrate renewed respect for international rules and institutions—in both global and regional affairs. The United States cannot claim the right to invade other countries preemptively or take decisions unilaterally against a consensus of other nations. The US needs to play by the rules it wants others to follow. Furthermore, the US cannot be an influential voice on human rights when it condones torture and denies prisoners fair trials. The US cannot be a credible defender of democracy when it seeks to influence other nations' elections.

Second, the US needs to demonstrate continuing respect for Latin American nations and show a greater flexibility and responsiveness in its dealings with the region. At times, Washington still seems to consider the region its backyard and expects governments to follow the US lead. Latin Americans resent being treated as the hemisphere's second-class citizens. They expect the US government to consult on issues that affect them, and listen to their advice. Washington needs to make clear that it is ready to join with the nations of Latin America in common efforts; that it wants their help in dealing with hemispheric and international challenges; and that Latin America's economic and political success is important to US interests.

Third, Washington's policies, while serving US interests, must also be relevant to Latin America's own needs—such as faster and more stable growth, a sustained reduction in poverty and inequality, moderation of political and social tensions, and progress against a seemingly endless wave of crime and violence. Economic cooperation comes first, but there is a range of other US policy initiatives that would help Latin America advance on these goals, including a thorough-going reform of immigration policy and greater attention to social issues in all US programs in the region.

## **ECONOMIC COOPERATION**

What Latin American nations mainly want from Washington is greater and more secure access to US markets, investment capital, and new technologies. Most of the Latin American countries have sought free trade agreements or trade preferences from the US. The bilateral free trade deals that the US has signed with eleven Latin American countries are economically significant for each of those nations; it is critical that the US ratify the two pacts that are still pending and pursue new agreements with countries that are interested. At the same time, Washington should be working with other governments to develop a new approach to regional economic integration. The Free Trade Area of the Americas (FTAA) is beyond repair; it most

likely cannot be revived. There is a need for a new strategy and new objectives in advancing economic cooperation in the hemisphere. The bilateral treaties, while valuable to the countries signing them, are an inadequate substitute for a comprehensive hemispheric trade initiative.

The White House's most difficult challenge will be to fashion a bipartisan approach at home to advance regional and international trade policy. For the US to shape a coherent economic strategy in the hemisphere, Democrats and Republicans in Congress will have to resolve their sharp differences over trade matters. Congressional Democrats and the White House were able to find common ground on the previously divisive issue of incorporating labor rights into trade pacts and they should be able to make progress on other sticking points. They will especially need to agree on measures to compensate US workers for the dislocations invariably produced by expanding trade and technological change. Also, they will have to renew the White House's expired authority to negotiate trade deals. None of this will be politically easy during a period when US voters are increasingly skeptical about the benefits of international engagement, globalization, and free trade.

## **BRAZIL**

To successfully pursue greater hemispheric economic cooperation, Washington will have to systematically engage Brazil. No new hemispheric wide trade or economic wide proposals can prosper without the support of both nations.

Brazil is a crucial partner for the US on many other issues as well. Indeed, inter-American relations today largely pivot around Brazil and the US. When the two countries find grounds for cooperation, most others will join in. When they do not, the hemisphere usually remains divided or fragmented. Good relations with Brazil are vital to Washington's standing in the region, and expand opportunities for both countries to pursue their interests. As a welcome side effect, they help to offset the influence of Hugo Chavez.

However, Washington and Brazil are not always natural partners. They have clashing positions on many critical matters, although they often find ways to cooperate. Brazil responded to Washington's call to command UN peacekeeping operations in Haiti, which have succeeded in enhancing security across the country and opened the way for new economic initiatives. The US and Brazil have also agreed to an ambitious program of cooperation for the development and marketing of ethanol. This agreement, if it is vigorously implemented, could add a significant new and constructive dimension to the countries' bilateral relations. At the same time, the two nations clashed at the critical Doha round of global trade talks, with neither Brazil nor the US budging much from their initial negotiating positions. They also continue to disagree on how to respond to the challenge of Hugo Chavez, with Brazil consistently seeking accommodation and the US proposing more open opposition to the Venezuelan leader.

A constructive relationship with Brazil is crucial for the advancement of the US agenda in the region. Sustaining that relationship will require the US to accept Brazil's foreign policy independence and to accommodate the divergent outlooks of the two countries.

## **MEXICO AND IMMIGRATION**

No country in the world has a more varied and extensive set of relations with the United States than Mexico. The routine, day-to-day elements of the relationship require persistent attention from both governments. Over the longer term, the core challenge will be how to manage the continuing, irrevocable integration of the US and Mexico, which is fiercely resisted by many in both countries.

Although many critical issues—including energy, trade, security, drug trafficking, and violent crime—affect US-Mexican relations, immigration is the most sensitive and difficult challenge. This, more than any other issue, will determine the quality of American bilateral ties with Mexico as well as the majority of Latin American and Caribbean nations.

The bitter and often abusive debates this year about immigration reform make it hard to foresee a constructive change in policy. The question is whether it is possible to craft a policy package that, on one hand, can gain US public support and congressional approval and, on the other, will be at least minimally acceptable in Latin America. Mexico and other countries will certainly be disappointed with legislation that does not include a significant program for temporary workers, including a path to legal status and citizenship for the twelve million immigrants who are in the US unlawfully. Thus, new US laws that are seen as unduly punitive to illegal immigrants will offend most of Latin America and make any US-Latin American cooperation on migration virtually impossible.

## **THE SOCIAL CHALLENGES**

Latin America's most critical challenge is its long-neglected social agenda. The region needs to do more to alleviate widespread poverty, reduce the region's huge income inequalities, end pervasive racial and ethnic discrimination, and fix badly functioning public services. Helping the region's governments engage this agenda is Washington's best opportunity to demonstrate renewed US relevance to Latin America. Additional financial commitments will be required, but what Washington mostly has to do is to reconfigure current US programs and policies so they more directly address Latin America's social problems.

For instance, US-promoted free trade agreements are leading to expanded exports and investment, helping to accelerate growth and create new jobs. Although these developments are essential to fight poverty and inequality, complementary policies are needed to assure that the benefits of trade reach excluded groups and that losers from foreign trade are compensated. On another front, by shifting anti-drug funds away from crop eradication toward development and job creation in coca

growing regions, Washington could turn the war against drugs into a war against poverty as well—a long-sought goal of Latin American countries. By making sure that all of its programs and policies in the region have robust social dimensions, Washington can help improve the living standard of Latin America's poor and begin to rebuild its good will in the region.

### **OTHER INITIATIVES**

There are other policy changes that would bring US policies more into line with the interests and objectives of Latin America, while also advancing Washington's own objectives. For example, it has been nearly a half-century since Fidel Castro took power in Cuba. Almost every Latin American nation would embrace a decision by Washington to dismantle its economic embargo and web of other restrictions it now imposes on the island—and to join with the other countries of the Americas to work toward a successful reintegration of Cuba into hemispheric affairs.

Similarly, it is also time for the US to work with Latin American partners to define a new multilateral strategy to combat drugs and associated criminal activity. The current US approach has been largely inflexible and unresponsive to specific national circumstances. Furthermore, US strategy is too narrowly focused on crop eradication and drug interdiction. Washington could also do more to respond to Latin American calls for the US to increase efforts to reduce its drug demand, to stem the flow of guns that fuel violence in the region, and to invest more in alternative development programs.

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The US also needs to carry out a consistent strategy toward Chavez, one aimed at minimizing his disruption of hemispheric affairs and supporting greater democracy in Venezuela. In the end, whatever problem Hugo Chavez poses for the US will be sharply diminished if the US is broadly engaged with the region and its policies are generally aligned with the interests of Latin America. Washington should do all it can to remain helpfully involved even with countries like Bolivia and Ecuador that have allied themselves with Venezuela. Efforts to isolate or punish these countries will be counterproductive, pushing them closer to Chavez and alienating other Latin American nations.

The United States does not have to advance on all policy fronts simultaneously, but it does have to set the right tone, direction, and make some headway on key issues of both style and substance. Washington needs to highlight the importance of rebuilding mutual trust and respect in inter-American relations and to emphasize how important Latin America's economic and political success is to US interests.

The next US president, within a few months of his or her inauguration, will have the opportunity to join the other Western Hemisphere's heads of state, who will be gathering in Trinidad and Tobago for their sixth summit since 1994. The other thirty-three leaders will be taking measure of the next president and listening carefully to what he or she says about Washington's plans for dealing with inter-American issues. With every country of the hemisphere (aside from Cuba) participating, the lead-up to the Summit will be the right place to start working to reenergize regional cooperation and rebuild confidence in the hemisphere's multilateral institutions.

Nevertheless, whoever is elected will find it difficult to advance on the two most critical challenges—reforming US immigration laws and developing new strategies for hemispheric trade and economic cooperation. Policy change on either of these issues will be resisted by potent domestic constituencies and run headlong into the apprehensions of the American public about expanding trade and migration. Still, even modest progress on these issues will help improve attitudes in Latin America, and set the stage for additional changes.

Washington should be able to advance further on other issues, like assisting Latin America in grappling with its social agenda and confronting its crime surge, or shifting the emphasis of US anti-drug strategies. American policy toward Cuba is certainly ripe for revision, but Latin America has to be willing to cooperate as well.

For example, although sensitive politically, Mexico and Central America could contribute to the prospect of a more constructive US approach to immigration issues if they demonstrated a greater willingness to work with the US to bring about a more orderly migration flow. Unfortunately, the Mexican government has not shown much interest in reducing the incentives for migration. Perhaps, if through a combination of employment-centered development, anti-poverty, and public education programs directed to areas of high out-migration, Mexico could demonstrate its own willingness to cooperate with the US.

Latin American governments can make it easier for the US to pursue cooperative programs and policies in the region. For instance, they can further open their economies to US trade and investment, join the US in efforts to prevent democratic breakdowns in neighboring countries, and constructively participate in inter-American institutions.

If policy changes cannot be made, Washington will have to lower its expectations in Latin America, and be satisfied with a more limited and less ambitious agenda for the hemisphere. In this case, US influence on political and economic developments in the region would become increasingly limited, while Latin American governments would become even less willing to accept Washington's leadership or support its policies. Latin America's own agenda would more and more diverge from that of Washington, and opportunities for building an economically integrated hemisphere, or for establishing broad political cooperation, would fade.

Most Latin Americans want relations with the US to improve, but they are also wary of Washington and want to maintain independent foreign policies. Latin America will look to a new US government to moderate US policy in the Middle East



and elsewhere. In the region, they will want to see changes in attitude and strategy that demonstrate Washington's readiness to resume a sustained and respectful partnership with Latin America—a partnership that it is willing to break out of old habits and patterns, listen carefully to advice from the region, and turn to multilateral and cooperative approaches.

Washington must keep in mind that it is the economic and political success of Latin America and the Caribbean that best serves US interests in the hemisphere. United States policy should be centrally aimed at a Latin America that is increasingly prosperous and secure, more socially just, better and more democratically governed, and beginning to meet the aspirations of its citizens. That is what will do most to create investment and commercial opportunities for the US, protect US security, and advance US values. Most importantly, it is what will do most to turn US neighbors into partners and allies.