

# SETTING PRIORITIES FOR U.S. POLICY IN LATIN AMERICA

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## SUMMARY

As President Barack Obama enters his second term, a number of pressing domestic and foreign policy concerns will continue to dominate the White House and congressional agenda. Among them are the ongoing budget and debt limit talks; the still-anemic recovery from the recession; the worsening political, military, and humanitarian crisis in Syria; and the spread of terrorism in North Africa. Given limited attention, the Obama administration will need to establish clear priorities for U.S.–Latin American relations that advance U.S. interests in remarkably changed circumstances. (The November 2012 U.S. election and the importance of the Latino vote to Obama’s victory have already assured that the “inter-mestic” issue of immigration will figure high on the policy agendas of both political parties.) No single approach to the region can guide U.S. policy,<sup>1</sup> nor can policy be successful if it does not recognize the changes in the region over the past decade that are reflected in the hemisphere’s economic and political vitality.

Together with Asia, Latin America is today the most economically dynamic region in the world. Since the early 2000s, Chinese demand for commodities has caused South America’s growth rates to surge. Ongoing recession in Europe and the United States poses an ever-present threat to the region’s prosperity, but sound macroeconomic policies in the majority of countries have promoted growth, social inclusion, and the expansion of the middle class<sup>2</sup> as never before in history. Among the consolidated democracies, Brazil has emerged as a power contender on the regional and global stage. New regional associations that do not include the United States reflect the region’s confidence and aspirations, the multiple options for global insertion, and the desire for independence from the United States and historic patterns of interventionism, unilateralism, and condescension. Although a handful of countries—those united in

the so-called ALBA Bloc<sup>3</sup>—openly seeks to defy U.S. power and values, their models of economic and political organization have limited and ever-shrinking appeal. This is especially true now that the outsized ambitions of Venezuelan President Hugo Chávez have diminished in tandem with his failing health and Venezuela’s deepening economic difficulties. That said, the economic, political, and strategic relationships between the ALBA countries and countries such as Iran require vigilance and attention, as mandated in legislation approved by a bipartisan majority of the Congress and signed by the president in December 2012.

There are unique dynamics to the U.S. relationships with Mexico<sup>4</sup> and Brazil<sup>5</sup>, and the specific and multifaceted agendas with these two countries will continue as major priorities for the U.S. government. There, as elsewhere in the hemi-

sphere, the success of U.S. engagement will depend on the ability to embrace the positive changes in the region, to work creatively and honestly to address issues of importance to the region as well as to the United States, and to abandon the notion that we can “get our way” through imposition rather than the same kind of creative diplomacy exercised toward traditional allies in Europe, Asia, and elsewhere.

A first challenge involves the complicated and potentially destabilizing process of succession in Venezuela. President Hugo Chávez, who was re-elected by a wide margin in October 2012, remains gravely ill and hospitalized in Cuba. The Venezuelan Supreme Court issued a controversial ruling that postponed the inauguration beyond the constitutionally mandated date of January 10. That ruling allows Chávez’s designated successor, Vice President Nicolás Maduro, to remain in charge for the foreseeable future. But how succession will be managed in the event that Chávez dies or remains incapacitated for a prolonged period of time remains unclear. Will new elections be called, as mandated in the Constitution? If they are, will Diosdado Cabello, the president of the National Assembly and a Maduro rival, take charge during the 30-day period prior to new elections? How will the opposition respond to the uncertainties of the transition process? The situation is inherently unstable and calls for a carefully calibrated response.

Several principles should guide U.S. policy. First is the recognition that openly taking sides in Venezuela’s internal political struggles is self-defeating and counterproductive. Ever since 2002, when the U.S. government openly sided with a coup attempt against Chávez, the regime has rallied its supporters with anti-imperial rhetoric and posturing. U.S. statements or actions will be trumpeted by the government as evidence of U.S. meddling in Venezuela’s internal politics and be exploited to fire up

the *chavista* base. Supporting broad principles such as internal dialogue to overcome polarization or respect for the rule of law is not the same as promoting a particular political outcome, an approach that is destined only to backfire.

Second, efforts to restore diplomatic recognition at the ambassadorial level should continue. Venezuela expelled the U.S. ambassador in 2008, the United States responded in kind, and Venezuela subsequently rejected a U.S. diplomat nominated as a replacement. The State Department has rightly renewed efforts to move the U.S.-Venezuelan relationship out of the deep freeze now that the post-Chávez era is around the corner. U.S. interests in Venezuela are better served by having a confirmed ambassador in Caracas who is seen as speaking authoritatively for the administration. There is no guarantee that an ambassador will be able to overcome the many difficult issues on the bilateral agenda—drug trafficking, the relationship with Iran, democracy itself—but diplomacy at the highest level is better than its absence.

Third, the potential for instability and prolonged uncertainty about Venezuela’s internal politics are also of concern to the region, particularly Venezuela’s neighbors, Colombia and Brazil. In the event of a crisis or to avert simmering political tensions from erupting into violence, working closely with allies in the hemisphere will be essential.

Aside from Venezuela, other issues will test the degree to which the United States can work cooperatively and multilaterally to address U.S. as well as Latin American concerns. Setting priorities will ensure that the administration’s limited time and political capital will be deployed to maximum effect.

First, countries across the region have been increasingly vocal in demanding that the taboo over discussing alternative counterdrug policies be broken.

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The Obama administration appeared surprised by the vehemence with which this issue emerged at the April 2012 Summit of the Americas in Cartagena, Colombia, and the drumbeat has only continued. Former presidents in Brazil, Colombia, and Mexico and sitting presidents in Colombia and Guatemala have insisted on a broad, scientific debate over alternatives to decades of suppression and interdiction policies that have fostered violence in Latin America and at times have overwhelmed and corrupted state institutions charged with upholding the rule of law. The United States should welcome and actively engage in these debates, not just politely listen only to reject alternative proposals out of hand. A new opportunity will arise when the Organization of American States issues a report in mid-2013, as mandated at the April 2012 Summit. Further efforts to reduce U.S. demand for drugs through prevention and better access to treatment must continue parallel to the hemispheric debate over alternative drug policies.

Second, the magnitude of the slaughter at an elementary school in Connecticut has put gun control back on the U.S. policy agenda. As policymakers debate ways to reduce gun violence in the United States, they must also seek to control the ways these same firearms and bullets contribute to death and mayhem outside our borders. Restricting the sale and southward flow of high-caliber weapons and ammunition to transnational criminal groups is an essential part of security cooperation with Mexico, Central America, and the entire Andean region.<sup>6</sup>

Third, U.S. policymakers must be more strategic in confronting the threat posed by criminal vio-

lence and transnational organized crime in Central America. Coordination among the multiple actors within the U.S. government involved in Central America policy (the Departments of State, Defense, and Justice; the Drug Enforcement Administration; Customs and Border Protection; etc.) remains insufficient. Limited financial resources, coupled with limited absorptive capacity on the ground, make cooperation and the setting of priorities more critical than ever. Until recently, security cooperation with Central America focused overwhelmingly on efforts to dismantle transnational crime groups, tighten border security, and stem the flow of drugs entering the United States. There appears to be new recognition at the policy level that novel strategies are needed to better address citizen insecurity, weak rule of law institutions, and longstanding problems of gang violence. Although funding priorities in Washington have begun to shift, more needs to be done to ensure that these changes are reflected in operational priorities on the ground.<sup>7</sup>

Fourth, the close relationship between the United States and Colombia on security and economic matters has deepened, marked by the implementation of the U.S.-Colombia Free Trade Agreement and cooperation in addressing security challenges in Mexico and Central America. The Obama administration has also expressed strong support for the peace process between the government of President Juan Manuel Santos and guerrillas of the FARC.<sup>8</sup> If the talks succeed, the United States should assist the Colombian government in honoring the commitments made at the peace table by providing generous assistance for demobilization and reintegration of combatants and by helping Colombia address

its longstanding social deficits. Whether or not the negotiations succeed, the Obama administration should support the implementation of historic laws on land restitution and assistance to the victims of conflict, which deal with the root causes and consequences of the conflict. Respect for human rights, including labor rights, must continue as an important issue on the bilateral agenda.

Finally, the trade agenda with the region will be dominated by negotiations over the Trans-Pacific Partnership<sup>9</sup>, which links 11 Asian, Latin American, and North American countries. The benefits of improved market access and of an expanded, rules-based trading system that includes labor and environmental protections are significant. At the same time, away from the Pacific Rim, the Obama administration should pursue a deepening of the political and economic relationship with countries such as Uruguay, whose record on democratic governance, social inclusion, and peacekeeping sets an example for the hemisphere. In Paraguay, the United States should continue to nurture democratic practices that will help the country overcome its economic and political isolation.

## ENDNOTES

- 1 The distinctions among countries and subregions include the relative importance of the U.S. economy to domestic economic health (Central America and the Caribbean, in addition to Mexico, versus South America); the presence or absence of commodities (one of the many issues shaping China's growing trade and investment patterns in the region); the existence or absence of a free trade agreement with the United States; and the ways that proximity to the United States affects illicit flows of migrants, drugs, and weapons.
- 2 According to a new study by the World Bank, the middle class in Latin America grew 50 percent between 2003 and 2009, while poverty fell from 44 percent to 30 percent of the population.
- 3 ALBA is the Spanish acronym for the Bolivarian Alliance for the Americas.
- 4 <http://www.scribd.com/doc/114299502/A-New-Agenda-With-Mexico-%E2%80%94-A-Wilson-Center-Policy-Brief>
- 5 <http://www.scribd.com/doc/115057891/Pursuing-a-Productive-Relationship-Between-the-U-S-and-Brazil-A-Wilson-Center-Policy-Brief>
- 6 For example, the Mexican government estimated in 2010 that 80 percent of weapons confiscated from criminal groups in the previous three years came from the United States. See Colby Goodman and Michel Marizco, "U.S. Firearms Trafficking to Mexico," in *Shared Responsibility: U.S.-Mexico Policy Options for Confronting Organized Crime*, ed. Eric L. Olson, David A. Shirk, and Andrew Selee, 167–203, <http://www.wilsoncenter.org/sites/default/files/Shared%20Responsibility%2012.22.10.pdf>.
- 7 See Andrew Selee, Cynthia J. Arnson, and Eric Olson, "U.S. Policy Responses to Crime and Violence in Mexico and Central America: An Evolving but Incomplete Response," Migration Policy Institute and Woodrow Wilson Center, January 2013, <http://www.migrationpolicy.org/pubs/RMSG-EvolvingPolicyResponse.pdf>.
- 8 FARC is the Spanish acronym for the Revolutionary Armed Forces of Colombia.
- 9 <http://www.wilsoncenter.org/publication/negotiations-for-trans-pacific-partnership-agreement>

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