did the Left of the 1960s, but are its staunchest proponents. They are not anti-American, but are open to pragmatic cooperation with the United States, without being automatic allies or client states. In none of these countries does Hugo Chávez have much current influence, despite his lavish petrodollar diplomacy.

The governments of Colombia, Mexico, Costa Rica, El Salvador and Guatemala, meanwhile, are not at all leftist but rather centrist to conservative, and they are certainly eager both to cooperate regionally and to resist Chávez. Although there are nationalist, populist, or anti-U.S. politicians in each of these countries, they have thus far been defeated at the polls by candidates committed to free market and pro-U.S. approaches, even in a period when the international image of the United States is badly tarnished. Indeed, taken together, most of the countries of Latin America and the Caribbean have been moving to the center, not to the left.

Of the more than thirty nations in Latin American and the Caribbean, only Venezuela, Ecuador, Bolivia and Nicaragua – and Cuba, of course – have different varieties of populist government, and Paraguay may soon follow suit. But only Venezuela and Cuba are pursuing policies consistently antagonistic to the United States, and even Venezuela still continues pragmatically to sell most of its petroleum to the United States. Except for oil-rich Venezuela, these countries are all among the region's poorest. Most have high numbers of historically excluded indigenous peoples, as is true also in southern Mexico and the highlands Peru – where the anti-system, anti-elite appeal personified by Chávez also has significant support. These are among the least developed countries of Latin America, not the basis for a powerful or threatening anti-U.S. axis. Conjuring up security threats in order to attract more high level concern with Latin America would further distort the attention devoted by the United States to the region rather than produce a constructive result.

Challenging Familiar Stereotypes

It is also important to challenge two familiar mindsets, contradictory images that tend paradoxically to persist in U.S. discourse. One is an excessively optimistic view of the region, projecting U.S. ideology and experience, combined with wishful thinking; the other is an excessively bleak vision of the region, grounded in self-satisfied notions of U.S. superiority.

The first trumpets the supposed convergence of Latin America with the United States, asserting that (except for Cuba) Latin America is an entirely democratic region; welcomes Latin America's endorsement of the "Washington Consensus" on market reforms and economic liberalization; claims devotion to the goal of free trade from Alaska to Patagonia; and calls for broad inter-American partnerships in the "wars" against terrorism and narcotics, and in the quest for energy security and other shared goals. This vision emerged from the Miami Summit of the Americas in 1994, when the assembled presidents and prime ministers from all the countries of the Western Hemisphere (save Cuba) proclaimed their shared commitment to a Free Trade Area of the Americas (FTAA) by 2005. All along, however, there was much less to the Miami vision than met the eye. The extent and depth of commitments to hemispheric free trade was exaggerated, both by Latin America and the United States.

> ***Although the normative preference of Latin Americans for democracy persists, effective democratic governance, beyond free and fair elections, is sadly lacking today.***

Although the normative preference of Latin Americans for democracy persists, effective democratic governance, beyond free and fair elections, is sadly lacking today. Stable and separate legislative and judicial institutions and an independent free press, all capable of checking authoritarian power, are weak not only in Cuba but in Venezuela, Bolivia, Ecuador and in several other countries, including Argentina. Washington's euphoria about the spread of democracy in the Americas needs to be tempered by a realistic awareness of the many obstacles to democratic governance in the region, and of the limited ability of the United States to affect this issue directly.

It is also important to overcome the tendency to dismiss Latin America as a backwater region. The region is frequently depicted in the United States as one of unmotivated workers, business leaders who prefer rent-seeking to entrepreneurial creativity, and demagogic politicians – as a region held back by entrenched privilege and cursed by rampant corruption. These stereotypes are remarkably widespread despite the abundant evidence in the United States itself that corruption occurs whenever it is not checked by strong regulation, investigative journalism, an independent judiciary and other countervailing powers. Whatever their sources, these unfortunate images can and should be corrected by greater exposure in the United States to Latin America's success stories and by more emphasis on structural and institutional issues. Overcoming these negative stereotypes would be an important step towards improving U.S. policy-making in the Americas.

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Improving U.S. Policies Toward Latin America and the Caribbean

by Dr. Abraham F. Lowenthal

Abstract *This paper is a précis of a larger work presented at the CHDS Sub-Regional Symposium in Lima, Peru, in July of 2007. The author argues that the U.S. government needs to update and improve its policies for Latin America. Suggested improvements include more emphasis on bi-lateral relations, given the region's diverse levels of economic, political, and social development; increased emphasis on "intermestic" issues, those that combine international and domestic facets; and abandoning the negative stereotypes that have permeated previous policies.*

The first step toward building enhanced security cooperation between the U.S. and Latin America and the Caribbean is to accept that the historic, traditional and familiar framework that we in the U.S. have used for defining and protecting interests in the Americas, a framework that served well from the late 19th to the late 20th century, is no longer appropriate. From the late 19th century on, U.S. government authorities, both in public statements and in secret documents, as well as outside experts, coincided in asserting that Latin American and Caribbean countries were of great importance to the United States because of military security, political solidarity, and economic advantage, defined primarily in terms of U.S. imports from Latin America and investments in the region.

Historical Foreign Policy

For decades, Latin America was deemed important for the forward defense of the United States against any possible military attack by an extra-hemispheric power. When the Panama Canal was built, allowing the United States to project its naval power in both the Pacific and the Atlantic, and thus to become a world power, a network of coaling stations and naval bases in the circum-Caribbean area became vital assets, protecting the sea lines of communication. Latin America was important, too, as a prime source of strategic materials. During the first third of the 20th century, Latin America was by far the most important source of imported petroleum, and it was the key supplier of many other leading raw materials long after that.

Latin America was also a cornerstone for U.S. diplomacy. The Western Hemisphere Idea – that the countries of this hemisphere stand together and apart from the rest of the world, united by shared values and interests – was a fundamental tenet of U.S. foreign policy. This concept was not mere rhetoric for ceremonial purposes; it was central to U.S. diplomatic strategy in the League of Nations, the United Nations, and elsewhere. Washington saw Latin America as a bloc, supportive of U.S. global interests. Furthermore, Latin America was generally perceived as of great economic importance to the United States, both as a source of minerals and agricultural products, and as an arena for U.S. private direct investment, by far the most important such arena through the first half of the 20th century.

All these reasons for Latin America's historic priority in U.S. foreign policy declined steadily until the 1990s. By the late 20th century, Latin America's relevance to the military security of the United States, understood in traditional terms, was negligible. Revolutions in military technology and in maritime trade reduced the strategic importance of Latin America and even of the Panama Canal. Latin America's possible use as a potential base for a strategic missile threat to the United States was ended, in effect, by the 1962 Cuban Missile Crisis.

The traditional diplomatic importance of Latin America also declined in the late 1970s and the 1980s as many Latin American countries expressed their solidarity with the Third World rather than with the United States. In the 1985 U.N. General Assembly, the only country from Latin America and the Caribbean to vote with the United States on more than half the occasions was tiny Grenada, whose government owed its very existence to the U.S. military intervention of October, 1983. Cuba and Nicaragua opposed the U.S. position more than 90 percent of the time, but the more striking fact was that Brazil, Mexico and Argentina opposed the U.S. stance

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on some 84 percent of the votes. The days of automatic alignment had clearly ended.

Latin America's relative economic significance to the United States also declined. With the tremendous burst of U.S. investment in Europe, Asia and the Middle East, and some divestment from Latin America, the economic significance of Latin America and the Caribbean to the United States fell sharply. Diversification of sources and the use of synthetic materials reduced the significance of Latin American resources. Latin America was still moderately important for a few U.S. corporations, but was not of high priority for the global economic role of the United States.

It is important to emphasize these points because the inertial power of familiar concepts – repeated in mission statements, legislative testimony and budget presentations – sometimes obscures the fact that old ideas no longer apply. How many times have we heard repetitions of the supposed importance of Latin America to the United States in security, political and economic terms, statements that do not stand up to critical scrutiny?

Four Fundamental Priorities

In truth, Latin America's contemporary significance to the United States derives from very different sources, which also serve as a basis for strong regional cooperation. Latin America, or at least parts of the region, matters to the United States today primarily for four reasons:

- Because of shared issues that neither the United States nor any country in the region can successfully handle by itself, without close and sustained cooperation from regional partners. These issues include energy security, public health, narcotics, crime and gangs, global warming and other environmental issues, as well as countering international terror.
- Because of demographic interdependence arising from massive migration, blurring the borders and the distinctions between the United States and its closest neighbors, and giving rise to a number of "intermestic" issues (those with both international and domestic aspects), ranging from education to health care, remittances to drivers' licenses, youth gangs to retirement pensions.
- Because of Latin America's economic importance, primarily as a market for the export of U.S. goods and services and as a source of energy imports. While one typically hears of forces on Mexican and Central American immigrants to the U.S., as many of you know there is also significant immigration from the countries of South America and as a source of energy imports.
- Because of shared values, particularly fundamental human rights, including the rights of free political expression and participation in self-government.

It is only when policy-makers and critics from throughout the U.S. and Latin America focus on the prime importance of these four different reasons as a basis for regional cooperation that we will, together, be able to design more effective approaches, and especially to confront the trade-offs that inevitably arise when different goals push policy in contradictory directions.

Disaggregating Latin America and the Caribbean

A second necessary step is for Washington to disaggregate this highly diverse region, and to avoid concepts, statements or approaches that treat the whole region as if it were unified by much beyond geography and shared colonial heritage.

Latin American and Caribbean nations vary enormously, of course. Argentina is very different from Haiti, or Peru from Panama, or the Dominican Republic from Chile – or Brazil from any other country in the region. From the perspective of many in the United States, however, these longstanding differences receded from view during the past twenty years, because so many Latin American and Caribbean nations embraced democratic governance, market-oriented economics and policies of macroeconomic balance and regional integration.

It remains true, and important, that these nearly region-wide sea-changes have occurred, and that in many countries they are still in place. But key differences among the countries of Latin America and the Caribbean persist; and some of these differences are growing, often in major ways that should reshape U.S. concepts and policies. This is so along several dimensions:

- First, the nature and degree of demographic and economic interdependence with the United States varies enormously;
- Second, the extent to which the countries have committed their economies to international competition ranges along a wide spectrum;
- Third, there is also a spectrum regarding democratic practices, including horizontal accountability and the rule of law;
- Fourth, there are great differences in the relative autonomy and effectiveness of civic and political institutions;
- Fifth, a few nations are facing the special challenges of integrating more than thirty million historically disadvantaged and increasingly mobilized indigenous people in Bolivia, Ecuador, Guatemala, the Peruvian highlands and southern Mexico – challenges which pose significant issues of governance and security.

Only when these important structural differences and their political impacts are consistently recognized in Washington can Latin America and the Caribbean come into clear focus and can more effective U.S. cooperation with Latin America be fashioned.

Sub-Regional Overview

Disaggregating Latin America and the Caribbean for policy purposes and the formulation of real regional cooperation means in practical terms thinking and acting separately – and often in bilateral terms – about Brazil, Mexico, Central America and the Caribbean, the Southern Cone and the Andean ridge nations.

Brazil: Gaining on the Future. In the last twenty years, Brazil opened much of its economy to international competition, modernized 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 and produced steady if still modest economic growth, and is making notable though highly uneven progress in combating corruption, impunity and lack of accountability. Brazil has also forged a centrist consensus on the outlines of macroeconomic and social policies, strengthening institutions combine to produce a nationally unprecedented degree of *previsibilidad* (predictability, based on stable expectations about the "rules of the game") which permits the state, private enterprise and individual citizens to make confident decisions that, in turn, further build the country's strength and its international influence.

The Southern Cone: A Study in Contrasts. Chile is the Latin American country most engaged in the world economy, with the strongest institutions and the most entrenched democratic norms and practices. It has a limited challenge of indigenous integration, sends few migrants to the United States and elsewhere, and is at least as closely tied to the economies of Asia, Europe and the rest of Latin America as to that of the United States. Chile has built broad national consensus on many key public policies, undergirding a high degree of *previsibilidad* that facilitates investment, national and foreign, and fosters strategic planning, both by government and by the private sector.

> ***During the next 25 years, Mexico and the Caribbean and Central American nations are likely to become even more fully absorbed into the U.S. orbit.***

Argentina has had great difficulty building consensus, fortifying institutions, opening up its full economy, and achieving the predictability that is so important to overcome short-termedness (*cortoplacismo)* and facilitate sustainable development. Although Argentina has been active in international affairs, it cannot confidently count on much meaningful empathy or concrete support from the United States, no matter who governs in Washington or in Buenos Aires.

The Andean Ridge: Crises of Governance. The troubled nations of the Andean ridge – Venezuela, Colombia, Ecuador, Peru and Bolivia – account for nearly 22 percent of the population of Latin America, just 13 percent of its gross domestic product (GDP), about 10 percent of U.S. investment, less than 15 percent of legal U.S.-Latin American trade, but nearly all the cocaine and heroin imported to the United States. All the Andean countries are plagued by extremely weak political institutions and by the unresolved integration of large and increasingly vocal indigenous populations, and of many others who live in poverty or extreme poverty. Massive exclusion, extensive poverty and gross inequity, rising ethnic and sub-national regional consciousness, democratic politics and market economies are an extremely volatile combination, unable to coexist in the medium term. The corrosive and violent narcotics trade is at least as much symptom as cause of these crises. Combating the insurgent or guerrilla movements through military means alone cannot accomplish much, or have an enduring impact. The underlying realities of poverty, injustice, exclusion, repression and alienation provide the breeding grounds for violent opposition. Only as these issues are confronted can the Andean ridge nations hope to achieve stability and democratic development. U.S. and cooperative regional efforts will likely be more effective when it supports those local leaders and movements that seriously address these underlying problems in an integral fashion.

Closest Neighbors of the United States: The "Intermestic" Agenda. The United States has become an even more overwhelming influence on its whole border region. The large and growing Mexican, Central American and Caribbean *diasporas* are irreversibly changing bilateral and regional relations.

During the next 25 years, Mexico and the Caribbean and Central American nations are likely to become even more fully absorbed into the U.S. orbit. They will be using the dollar as their informal and in many cases their official currencies; sending almost all their exports to the United States; relying overwhelmingly on U.S. tourists, investment, imports and technology. They will continue to send many migrants northward, and many will accept increasing numbers of retired North Americans as long-term residents. Transnational citizens and networks will grow in importance on such issues as portable international health insurance and bilingual education. All these trends will almost certainly include Cuba in time, perhaps soon.

The issues that flow directly from the unique mutual interpenetration between the United States and its closest neighbors – immigration, narcotics and arms trafficking, auto theft, money-laundering, responding to hurricanes and other natural disasters, protecting the environment and public health, law enforcement and border management – pose particularly complex challenges for policy. The democratic political process, both in the United States and in its neighboring countries, pushes policies on both sides in directions that are diametrically opposed to what would be needed to secure the international cooperation required to manage thorny problems that transcend borders. A vivid example is immigration policy; the chauvinistic points scored in the recent U.S. Congressional debates, and the approval by Congress of the border fence between the United States and Mexico, undoubtedly have had counter-productive impacts in Mexico and Central America, making it much harder to work together on this and other issues.

Latin America's Supposed Left Turn

A common perception of Latin America in the United States is that the whole region, led by Hugo Chávez of Venezuela, has been turning Left, and that this supposed leftist and anti-American orientation could pose threats to the security and prosperity and influence of the U.S. and throughout the region. This view is based on some real data, but it is profoundly misinformed and potentially dangerous.

Leaders from the Latin American Left hold office in Brazil, Chile, Argentina, Uruguay, the Dominican Republic and Peru, but they are strongly committed to free markets, international trade and foreign investment. They do not believe in centrally-planned economies, but favor efficient states focused on education, infrastructure and poverty alleviation. They do not belittle democratic governance, as