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A NEW STRATEGIC MODEL FOR LATIN AMERICA

PREPARATION, ENGAGEMENT AND ACCOMMODATION

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A New Strategic Model For Latin America; Preparation, Engagement, And Accommodation

HEMISPHERIC CONTEXT

During the four decades of the Cold War, the overarching U S interest in Latin America was one of hemispheric solidarity as a bulwark against the threat of Communist expansion. Since the end of East-West polarization, the United States finds itself in a paradoxical position regarding hemispheric relations.

In short, while the U S was embroiled in worldwide Communist containment, the former struggling republics in the "backwater region" of South America have matured into sovereign states with democratic governments and global perspectives. Combined with an increasingly developed sense of national awareness, these countries are no longer subject to "imperialistic" influence or U S hemispheric ideals. Latin America is looking to chart its own future. While this potentially represents a bright spot in "American" relations, the fragile gains of the last decade must be consolidated. Paradoxically then, while the U S approach towards hemispheric issues must be less intrusive than in the past, it is essential the United States remain engaged in Latin America to ensure continued positive growth of the fragile democratic republics.

Fortunately, this imperative is enhanced by current indicators of progress in South American toward the elimination of traditional problems which have plagued the continent for decades if not centuries. The old-fashioned dysfunctional statism and economic xenophobia of the 1960's and 1970's is increasingly seen as bankrupt and discredited, while the theoretical appeal of

communism has been virtually eliminated. Generally, Latin American economies have grown and diversified to a remarkable degree, democracy has taken root, and inter-regional conflict is on the decline. Economically the countries of the region have emerged from the debt crisis of the 1980's with a zealous belief in the advantage of export-oriented politics, a move toward privatization, and the elimination of trade and investment barriers.

Progress notwithstanding, a decidedly negative side to modern Latin America remains. Although democracy now prevails, these are frangible democracies. Moreover, economic growth has left in its wake the problems of poverty and a severe disparity of income. The drug trade, environmental destruction, crime, corruption, mass migration and the depletion of both shared and natural resources pose additional challenges which must be addressed on a cooperative basis now.

U.S. REGIONAL INTERESTS

One of the great lessons of this century is that democracy is a parent to peace. Free nations make good neighbors. Compared to dictatorships, they are far less likely to commit acts of aggression, support terrorists, spawn international crime or generate waves of refugees.

Accordingly, the primary U.S. interest in Latin America is, and must remain, that of stability, closely followed by further democratic reform and attendant economic growth. Stability and prosperity in the region will lessen the likelihood of transnational threats while conveying fledgling democracies into

long-term reality. Moreover, regional stability brought through democratization and economic prosperity will lessen the threat of inter-state conflicts, and naturally encourage a cooperative approach towards meeting the growing challenges posed by transnational threats.

Moreover, a potential exists for the United States to be increasingly drawn into South American affairs as a direct participant without direct control of the outcome. Transnational threats originating in Latin America which ultimately prejudice U.S. economic or social interests at home, may dictate short term action without accompanying long range strategy. This type of crisis, derived from a variety of transnational issues, serves to counter U.S. regional interests while promoting a sense of resentment by regional actors.

REGIONAL THREATS AND CHALLENGES

In considering the aforementioned interests and directions of U.S. regional policy, an evaluation of the critical challenges or threats to U.S. interests is essential. Broadly, there are four key transnational challenges to U.S. interests in Latin America.

- ***Narcotics Trafficking***

Narcotics remain the major transnational threat posed by Latin America. The production of illegal narcotics has existed in Latin America for decades, but the major expansion since the late 1980's in coca production has made this the number one concern in inter-American relations. Ninety (90) percent of all cocaine that reaches the world market is produced in Latin America.

The United States is the world largest market for illicit drugs. Current estimates suggest that more than 4 million U S citizens use cocaine each month. As result of this demand, cocaine earnings in Bolivia are estimated to be three times the value of all the country's other exports. Moreover, the standard of living which drug lords can provide to indigenous coca farmers is significantly higher than what a farmer can make growing legitimate crops.

Curbing Western Hemisphere drug traffic requires effective cooperation between the United States and Latin America, for neither can succeed in stopping the narcotics trade without the other. The hemispheric campaign against drugs depends on a sustained reduction in consumption the United States and control of narcotics production in Latin America for its ultimate success.

- ***Mass Migration***

The threat of uncontrolled migration to the United States or other countries in the region remains a source of friction, which could erupt into conflict in a deteriorating social scenario. The Haitian crisis serves as a micro example of mass migration in the face of poverty, resource depletion, government oppression, and over-population.

The present population of Latin America and the Caribbean is approaching 430 million and is expected to double in the next 25 years. By comparison, the population of the U S will take 87 years to double. At the same time, there is a burgeoning gap between the "haves" and the "haves-not" in Latin America. At least 60% of Brazil's population earn less than \$80 per month in a country where the cost of living is moderately high. Most of this poor populace lives in

indescribably poor slums, and exists outside the formal economy in a barter system. More than 42% of Brazil's population is under the age of 17.

Population dynamics throughout Latin America contributes to straining the social relationship between classes and provides a potential for disaster if left unattended. Population growth rates have been further exacerbated by the migration of rural populations to major urban areas; the population of Sao Paulo has increased by more than four million over the last decade. By the year 2000, the population is expected to balloon to more than 25 million.

Rapid urbanization is outstripping the ability of many nations to provide jobs, education and other services to their citizens. Continuing poverty, which leads to hunger, malnutrition, migration, illegal activity and political unrest, threatens to overwhelm the social capacity of Latin American.

- ***Depletion of Shared Resources***

Global deficiencies and degradation of natural resources, both renewable and non-renewable, coupled with uneven distribution of these raw materials, provides a source of ongoing tensions which can ultimately lead to conflict. Latin American is one of the pre-eminent producers of food in the world market. This represents a major industry providing jobs and capital for many Latin American countries. Chile ranks fourth in global fisheries yield and first in world production of fish meal. Argentina is one of the major producers of wheat and corn on the world market. Peru, Ecuador and Panama also rank high in annual fisheries yield. The destruction of renewable natural resources, i.e. soil erosion, deforestation, over-fishing, and ecological contamination all involve long recuperation. Hence an

environmental disaster in Peru could affect many inter-related and dependent systems throughout North and South America. This scenario has already contributed to an increase in regional importation of food from other areas of the world. Unattended, this transnational area poses a major threat to both U.S. and regional interests.

- ***Environmental Destruction***

Environmental threats do not heed national borders. Climate change, ozone depletion, deforestation, greenhouse gases, ocean warming and the transnational movement or irresponsible storage and dumping of dangerous chemicals/nuclear waste directly threaten the health and well-being of U.S. citizens.

Reducing the environmental threat is not about saving a tree here and a river there, rather, it is about the complex integrated system that governs how things work together globally. Deforestation in the Amazon basin cannot be quickly dismissed as an inconsequential action. Fortunately, Brazil has begun to realize this. In late July, the Brazilian National Congress passed a two-year moratorium on granting new mahogany logging concessions. Unfortunately though, the vastness and inaccessibility of the Amazon basin challenges Brazilian enforcement.

As a phenomenon of increased economic development, transnational corporations--mainly from North America, Europe, Japan, and South East Asia--are using the promise of fast money as a quick fix solution to the economic concerns of the region's poorer countries. Guyana has sold millions of acres of

ancient rainforest to Canadian, Malaysian, and Japanese logging companies, trading its primal wilderness for one-time profit. Ecuador, Peru, and Colombia are turning over control of their rainforests to American and European oil companies. Brazil is undertaking huge road and canal projects, opening up the heart of the Amazon to logging and mining.

While economic growth requires sacrifice of natural resources, there must be a parallel conservation, replenishment and stewardship approach. The U.S. must continue to advocate and demonstrate environmentally sound private investment and responsible approaches. Environmental abuses today will inevitably effect global consequences for generations, consequently, national security planning must incorporate an environmental perspective.

CURRENT POLICY

The broad U.S. strategy of ensuring regional stability through democracy and economic development was most recently proposed during the 1994 "Summit of the Americas" held in Miami. The Summit produced a hemispheric agreement on a package of measures, which included continued economic reform, and enhanced cooperation on issues such as the environment, counter-narcotics and anti-corruption. President Clinton used the event to commit the U.S. to a more mature and cooperative relationship with the hemisphere. Unfortunately, little U.S. action has followed.

Despite this inertia, it is clear the U.S. economic future with Latin America is inextricably linked. U.S. exports to Latin America have continued to grow at

double-digit rates U S investors have funneled extraordinary amounts of capital into the financial markets of Buenos Aires and Sao Paulo Recent exports to Chile have equaled all of our exports to India Brazil has imported as much from the U S as from all of Eastern Europe and the former republics of the Soviet Union Moreover, the U S imports as much oil from Venezuela as from Saudi Arabia Ultimately then, U S interests are best served through continued economic investment and free trade with the entire region

Moreover, the U S has advanced regional security cooperation in a variety of ways, such as bilateral security dialogues, Organization of American States (OAS) and Summit of the Americas initiatives, regional confidence and security building measures, and military training exercises and exchanges As co-guarantor of the Peru-Ecuador peace process, the U S has brought both countries closer to negotiating a permanent resolution of the decades-old border dispute

POLICY RECOMMENDATIONS

U S foreign policy towards Latin America has been a roller coaster of promise, expectation, hope and ultimately frustration for our Latin American neighbors Essentially, while the U S has talked the talk, we have never bothered to walk the walk U S actions, which further Latin American interests, are scarce

Among the more recent disappointments is the three-year delay in action since President Clinton's lofty call for hemispheric free trade at the 1994 Miami

Summit Coupled with the disastrous failure of the Administration's push to obtain fast-track authority from Congress, the U S has ultimately left Chile waiting at the NAFTA Altar three times Thus it should not come as any great surprise that Latin American perceptions are decidedly negative on how serious the United States is in advancing the developing democracies of Latin America

Moreover, recent U S contacts with Latin America have largely arisen as result of crisis management Our actions to restore democracy in Haiti, the Mexican Peso bailout, and continuing narcotics interdiction efforts in Colombia are examples of U S hemispheric brinkmanship highlighting our action when there is no other recourse Congressional action has not added salve the passage of the Helms-Burton Act highlights the "big stick" approach of coercing Allies towards compliance with a U S trade embargo against Cuba while the Congressional deferment of the fast-track issue clearly communicates a sense of U S marginalization of Latin America Without surprise then, there is a growing resentment toward the United States by Latin America

Accordingly, if the U S is to achieve any visionary goals or meet the rhetoric in the national security strategy a framework for execution is vital As envisioned, this framework involves a three-step process

- Adequate Preparation
- Ongoing Active Engagement
- Sensitive Accommodation

The first step is adequate preparation As Chief Executive, the President must develop bi-partisan support and political advocacy for his initiatives prior to

issuing promises to Latin America. A concerted effort must be made to avoid hollow rhetoric and ensure follow through on promised actions. In short, the U S must be prepared to deliver.

Secondly, the U S must continue to develop bi-lateral relationships with all of Latin American while looking for ways to foster increased multi-lateral initiatives in the region. The residual of centuries of misunderstanding and conflict between regional actors must be overcome in order to facilitate a unified approach towards solving transnational issues. The U S plays a significant role in effecting this action. Moreover, the U S must refrain from heavy-handed techniques of directing rather than leading and should promote consensus building to resolve conflict.

Lastly, if the U S is sensitive to the historical context and regional cultural differences, mutual respect will result. As a leader, the U S must become the accommodating party. We must be willing to solicit the input of our neighbors as equal partners include them in the decision making process. Recommendation must not be directive from the strong to the weak.

Now is the time to consolidate improved economic relations with South America and to move away from respective protectionism towards open markets as a path to economic growth. The United States should encourage the emergent positive trends in Latin America, while recognizing that South American countries are best able to chart their own course.