



MAURICIO CÁRDENAS

INTRODUCTION: THE FIFTH SUMMIT OF THE AMERICAS

AN AGENDA LEADERS SHOULD
AGREE ON

Heads of state of the Western Hemisphere will gather in Trinidad and Tobago on April 17-19 for the Fifth Summit of the Americas. Although recent summits—especially the last one in Mar del Plata in 2005—have been far from successful, this year's summit has generated attention because it will be the first meeting between President Obama and many of his Latin American and Caribbean counterparts.

No one expects the lofty ambition of the 1994 Miami Summit, when the Free Trade Area of the Americas was announced as an overarching regional goal. History suggests the need for a more pragmatic approach. Some concrete steps can be undertaken in the direction of building regional solutions to global challenges. The general idea is that the reemergence of multilateralism, with the formation of a solid bloc of regional partners, is a natural first step. The regional dimension is not only the result of geography but also of the joint commitment to democratic institutions.

Countries in Latin America have experienced remarkable economic and social progress in the recent years. This creates self-confidence, which is an important ele-

ment of the new dialogue with Washington. A partnership seems desirable and viable in the hemisphere.

Given its magnitude, the global economic recession will unavoidably become a central theme during the summit. Countries in Latin America and the Caribbean are beginning to see sharp contractions in industrial production, reduced confidence and higher unemployment. In January, industrial output fell 11 percent in Mexico and Colombia, and an astonishing 17 percent in Brazil. Exports are also plunging with reduced demand in the developed world and low commodity prices. Chile and Peru, among the largest commodity exporters of the region, saw exports decline in January by 42 and 39 percent, respectively. Overall growth projections are being revised downwards at an unprecedented pace. Consensus estimates predict that the region's growth will come to a halt this year, and that next year's could be even worse.

The fact that countries of the region have extremely different characteristics should not be underestimated. The degree of demographic and economic interdependence with the United States is a key element that should be

considered. The extent to which countries have opened their economies in the global market, the advance of democratic governance, the effectiveness of institutions, and the extent to which traditionally excluded populations are incorporated, are critical dimensions that deserve consideration.

This fifth summit should initiate the process of building a true partnership for the Americas. Rather than lecturing Latin American leaders on what they should do, the U.S. should put forward innovative proposals. This compilation includes policy recommendations that are more relevant for today's turbulent world.

Hemispheric Opportunity

The top challenges awaiting the Americas at the Fifth Summit are vital to the prosperity and stability of the region:

- **Setting the right agenda for multilateral institutions.** The recovery from the crisis might be longer than expected and multilateral institutions will play a crucial role in assuring the long-term macroeconomic stability of Latin American countries. The role of multilateral institutions needs to be strengthened. They should also move away from short-term financing, redefine the emphasis of their loans, and ensure that countries work towards sustainable fiscal policy.
- **Making trade a priority.** Together with the three Latin American countries in the G-20—Mexico, Brazil, and Argentina—the United States should work at the hemispheric level to help preserve the hemisphere's open trading system. This would include setting a commitment to multilateral trade and to avoid protectionism, developing a regional mechanism for the surveillance of tariff and non-tariff trade restrictions, increasing the amount of trade financing available to exporters, expediting the disbursement of aid for trade for low-income countries, and finally, for the United States, ratifying pending free trade agreements with Colombia and Panama. Moreover, NAFTA should be re-invigorated as part of a hemispheric effort to stimulate trade and deter protectionist measures. In this context, cooperation on infrastructure, education and health policy should be enhanced.
- **Securing the energy future of its citizens.** Hemispheric cooperation to adopt market mechanisms and new technologies that encourage efficient energy use and a shift away from carbon emitting fuels will benefit all countries in the region. The summit should establish a group to address climate change. The U.S. should open its market to imported biofuels, and should fund a renewable energy laboratory of the Americas for the development of better technologies in solar, wind and biomass energy. The countries of the hemisphere should work more towards infrastructure integration.
- **Recasting the debate on drugs.** The hemisphere needs to recast the discussion on the drug problem. Based on recent data and research, leaders should promote a hemisphere-wide discussion on drugs where less emphasis is placed on forced eradication and more weight is given to the discussion of policies aimed at reducing demand and consumption.
- **Strengthening human security.** Crime levels in Latin America and the Caribbean are the world's highest with dire social and economic consequences. Countries of the Americas should cooperate on the expansion of state-strengthening efforts that improve the governance of security issues as well as safety on streets. Upgrading law enforce-

ment institutions, and the workings of the judiciary are a top priority in many countries, including Mexico. Illicit gun trade from the U.S. to the region should be a focal point for U.S. authorities.

- **Enhancing democracy.** Strengthening democracy in the hemisphere should be a top joint priority. A new partnership is needed to help share the financial and diplomatic burdens of this task. This would entail depoliticizing democracy assistance, strengthening the Organization of American States (OAS) and its Inter-American Democratic Charter, and internationalizing democracy assistance. The U.S. and Brazil could play a major role in this area, especially in regard to countries where democratic governance is either weak or nonexistent.
- **Advancing U.S. policy towards Cuba.** U.S. policy towards Cuba should advance and be based on critical and constructive engagement, as an opportunity for the United States to re-start its relationship with the hemisphere. The U.S. should broaden and deepen bilateral and diplomatic relations, enhance contact between Cuban and U.S. citizens and permanent residents, end the communications embargo, establish civil society assistance, and remove Cuba from the list of terrorist countries.
- **Dealing effectively with the crisis.** The welfare losses associated with the crisis are difficult to predict, but are likely to be significant especially in poor countries. The Summit of the Americas brings an opportunity for the countries of the region to discuss a coordinated effort to deal with these losses. More aid and concessional lending will be necessary to countries that are unable to cope with the crisis with their own resources.

Following in this volume are additional ideas and recommendations for leaders of the Western Hemisphere. From political to economic perspectives, these proposals could help shape a new era of hemispheric partnership and robust engagement.