

# RE-THINKING U.S.-LATIN AMERICAN RELATIONS: LATIN AMERICA'S RESPONSE

COMMENTARY FROM LATIN AMERICAN LEADERS ON THE  
PARTNERSHIP FOR THE AMERICAS COMMISSION REPORT

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## RE-THINKING U.S. - LATIN AMERICAN RELATIONS: LATIN AMERICA'S RESPONSE

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On November 24, 2008, The Brookings Institution issued the report of the Partnership for the Americas Commission (PFAC): “Re-Thinking U.S. - Latin America Relations: A Hemispheric Partnership for a Turbulent World.” This report provides a set of specific policy recommendations for the Obama administration on how to re-engage Latin America and the Caribbean and bring about hemispheric cooperation on areas of mutual interest.

The Commission was chaired by former president of Mexico, Ernesto Zedillo, and former U.S. Under Secretary of State for Political Affairs, Thomas Pickering. In total, it was composed of 20 members, equally divided between Latin Americans and U.S. citizens. Members included former president of Chile, Ricardo Lagos, former president of Bolivia, Jorge Quiroga, former Deputy Prime Minister of Barbados, Billie Miller, and former U.S. Envoy to the Americas, Thomas “Mack” McLarty.

The recommendations of the Partnership for the Americas Commission report are of utmost importance. It acknowledges a distant relationship in the past, but points out areas where both the U.S. and Latin America could gain through enhanced cooperation on issues of energy and climate change, migration, trade, drugs and organized crime, and U.S.-Cuba relations.

These points became especially relevant during the meetings of the Fifth Summit of the Americas, held last April in Trinidad and Tobago, when President

Obama acknowledged that the region had been, at times, neglected. He stated that he intended to “launch a new chapter of engagement”. He then set forth an agenda for cooperation, where many of the topics introduced by the PFAC report were discussed.

After the Summit of the Americas, Brookings’s Latin America Initiative offers this series of documents highlighting the key impressions from academics, business, and political leaders from several Latin American countries included in Partnership for the Americas Commission report. The report was presented and discussed at think-tanks and universities in Argentina, Brazil, Colombia, Mexico, Peru, and Venezuela.

Discussions were held in Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento (CIPPEC), Buenos Aires, Argentina; Fundação Getulio Vargas (FGV), Rio de Janeiro, Brazil; Fedesarrollo, Bogotá, Colombia; Consejo Mexicano de Asuntos Internacionales (COMEXI), Mexico City, Mexico; Centro Peruano de Estudios Internacionales (CEPEI), Lima, Peru; and with Maruja Tarre, Edmundo Gonzalez and Jocelyn Hernandez, from Venezuela.

Comments by:

## MARUJA TARRE, EDMUNDO GONZÁLEZ, AND JOCELYN HENRIQUEZ

Caracas, Venezuela

December 17, 2008

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### The Report

The report highlights the relevance of the Latin American and Caribbean (LAC) region to the United States, while at the same time recognizing that the region has often been neglected. LAC represents one fifth of total U.S. exports and one fifth of regional imports. The report also acknowledges that more than 30% of oil imports come from the region, as does an increasing flow of labor migration. The immigrants in turn assimilate into the U.S. political and cultural life.

The report hopes to serve the new administration in Washington, DC as a refreshing standpoint encouraging the renewal of growing interdependence. The core themes proposed in the agenda are: 1) developing sustainable energy sources and combating climate change, 2) managing migration effectively, 3) expanding economic opportunities for all through economic integration, 4) protecting the hemisphere from drug trafficking and organized crime, and 5) rethinking the relations with Cuba.

### Commentaries

The document is praiseworthy for being pragmatic and proposing easy-to-implement recommendations, avoiding grandiose ideological definitions that would further alienate some governments in the region. However, it is this pragmatism that limits the treatment of the current living conditions in the Southern Cone. The report also misses the hardships that come with conceiving a U.S.-Latin American relations agenda that ignores the necessary social and educational policies that could potentially have regional impact. Furthermore, it does not take into

account the political and social consequences stemming from the conceptual debate on democracy and socialism raised in the region. This topic has been particularly pugnacious in Venezuela, where Hugo Chavez has captured the attention with his “Twenty-First Century Socialism” as a new form of socialism. This, in turn, has generated both national and international enthusiasm among those that have been hesitant to recognize the failure of a system born-out of “epic” revolutionary processes, resulting in authoritarian and dictatorial regimes.

The report poses the need for cultivating trust between the U.S. and the LAC region, which lately has been flustered by other concerns outside the hemisphere. To this end, an array of prominent Latin American scholars and politicians participated in this Brookings-led study. Certainly, the study seizes the opportunity given by the change of administration in the U.S. and by the sincere and deep commitment of the majority of the LAC countries to improving relations. Even Chavez, who is juggling his own internal problems (uncertain reelection and marginalization of the opposition) has been open to building cooperation bridges with the new administration, especially in the areas he believes are of primary concern to the U.S., such as drugs and international terrorism. Both of these concerns are addressed in the report.

It is both positive and of paramount importance the report's insistence on making trade a priority concern and understanding the role it plays in fostering economic growth. Although the subject has been part of the regional agenda for over a decade, to this point,

no fruitful achievements have taken place. This has been a source of contention and division among the Latin American countries. To complicate matters, Venezuela has been heralding a campaign against free trade agreements. When one examines as an innovative experience the market diversification sought by the Latin American region, as well as the investments being made in and among countries in the region, one is left to question Chavez's motivations in seeking different integration schemes and new markets. On the other hand, it seems contradictory that the free trade agreement with Colombia has not been approved by Democrats who are now in power in the Executive Branch, hence alienating one of their most emblematic allies.

The chapter on economic integration suggests that the economy is at the root of the U.S.-LAC relations. To begin with, it aims to simplify a complex relationship, driven by political, social and cultural antecedents. This premise brings us back to the old resentments that have made it difficult to harmonize both common interests and policies among the players. While the recommendations to advance the topics proposed in the agenda are laudable, their implementation will be difficult to achieve until certain political parameters are defined.

The report is too candid in the discussion of this topic. For example, the title "The Mechanics of Partnership" (p. 9) highlights how toilsome the relationship between Caracas and Washington, D.C. has been; at the same time it implies the U.S. has an incentive to improve communication channels with Venezuela, since Venezuela "aspires to play an important role in the region, and could potentially be a pro-

motor of peace and security in the Southern Cone." In response to this, it would be useful to remember the past Latin American experiences with "caudillos" and communist autocrats that governed for most of the 20<sup>th</sup> Century. Even more important is remembering the fact that the U.S. is the colossal enemy that Chavez needs to keep his revolution oxygenated.

In the past, Venezuela played a central role in the peace promotion efforts in Central America, but at present, few see Chavez as a harbinger of peace. In general, aiming not to enhance Chavez's role in the region, we do the opposite, and ignore Chavez's charisma and influence in the region. The inauspicious importance of this post-modern "caudillo" has been highly recognized and commented by renowned intellectuals, such as Mario Vargas Llosa and Enrique Krause.

The report acknowledges the impact of the current international crisis on the region, but it believes that countries are now better equipped than in the past to address the challenges posed by the crisis. Notwithstanding, during UNASUR's December meeting, regional leaders, including Cuba, emphasized the responsibility of the U.S. in this crisis. It looks like the issue could provide the U.S. with a constructive ground to build upon for the future.

Lastly, the proposals advocating for improved relations with Cuba constitute an important element in harmonizing relations in the region. In effect, LAC took key steps by incorporating Cuba in the regional dialogue and political mechanisms. Softening the U.S. hard politics with Cuba could work as a catalyst for creating a space for a positive re-encounter with the nations south of Rio Grande.

- Ambassador Edmundo González is former Ambassador of Venezuela to Algeria and Argentina. He is a frequent contributor for El Nacional de Caracas newspaper, and works as an international consultant and analyst.
- Ambassador Jocelyn Henriquez is former Ambassador of Venezuela to India and to the People's Republic of China. She is a member of the board of directors of several civil associations, and she works as an international consultant and analyst.
- Professor Maruja Tarre is a political consultant and a columnist for El Universal newspaper. She is a former professor in the area of oil politics at the Simon Bolívar University, and a former Director of the Energy Institute of the Americas in Caracas.

Comments by:

## FEDESARROLLO

Bogotá, Colombia  
March 13, 2009

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### The Report

To even approach a subject as complex and multidimensional as that of U.S.-Latin American relations and to define an agenda that can serve as a central theme for redefining U.S. policy towards the region constitutes a major contribution. The document drafted by the Partnership for the Americas not only defines major themes, but also sets forth concrete policy proposals from a multilateral and interdependent focus that supports the formation of a new order in the region. This order fits with the current reality in the U.S. and Latin America.

In spite of its virtues, the pragmatic focus of this report presents some disadvantages that are important to consider, especially within the context of the political fragmentation that characterizes the region, the global financial crisis, and the U.S. economic recession and its impact in Latin America. In regards to this subject and the proposed mechanisms for the implementation of this agenda we present our comments below.

### Commentaries

Political and economic juncture

Contrary to the ideas set forth in the report, there is no foreseeable possibility that the U.S. will drastically redefine its foreign policy towards the region. Despite the importance highlighted in the report of issues such as migration, trade, and transnational threats such as drug trafficking, amongst others, it is not foreseeable that the international agenda of the U.S.

will shift away from its focus on the conflict in Iraq and its relationship with its most important commercial partners, i.e. Mexico and Canada. In addition, the Latin American political landscape is deeply divided into governments that follow Hugo Chavez's guidelines and those who perceive themselves to be in line with Washington. On the economic front, the crisis that afflicts the U.S. and the countries of the region makes it less feasible to create alliances that will promote commercial integration. There is a wide sector of the population in these countries that continues to perceive economic integration processes as the cause of job destruction, an effect that, under the current circumstances, is almost impossible to defend based on technical arguments.

### Pragmatic Emphasis

The pragmatic tone and structure of this document allows for its policy recommendations to be analyzed and read by people with diverse ideological profiles, which is something that in the current political context facilitates a more technical discussion. Nevertheless, its pragmatism does not solve internal divisions, and there is a risk that some groups will interpret this as a utilitarian approach.

### Multilateral and Interdependent approach

The bases for the report's recommendations are the notions of multilateralism and interdependence amongst countries. This approach is appropriate considering that the subjects in question are part of the global agenda (migration, drug trafficking) and as such it would be inadequate for any country to

attempt to solve them unilaterally. Nevertheless, focusing on multilateralism presents some problems, given that attempting to generate consensus among many actors is a highly complex and slow process, and given that there is high divergence in the types of governments within the region. These aspects make it less feasible to reach consensus on which policies to implement.

#### Canada

Given the fact that the context of this document is to “propose recommendations to build a genuine alliance between the U.S. and its neighbors across the hemisphere” it is surprising that the report completely ignores the role played by Canada, a country that because of its neutral perception and its membership in the OECD, could play a central role in the re-definition of relationships in the hemisphere. Canada has prioritized Latin America as the focus of its foreign policy, and it is a natural ally of the U.S. in a variety of subjects that range from the environment to the protection of intellectual property rights.

#### Mechanics of Partnership

The idea of having an A8 group to provide hemispheric guidance could be an alternative that might help initiate and coordinate joint efforts and that might facilitate the materialization of some of the recommendations of the Partnership for the Americas Commission; however, this proposal lacks the normative and philosophical fundamentals necessary to legitimize it and to create the ruling principles that would guide the work of countries in this group beyond the initially proposed agenda.

This coordinated effort should have the flexibility to resolve potential disagreements among countries, and to give priority to issues in the agenda in which consensus can be more easily reached. It should con-

tribute to building confidence among members of the group and should allow for a fine tuning of mechanisms to execute joint projects and prepare the road for issues that may require more enhanced negotiations abilities.

It is necessary to generate a strategy to rebuild confidence toward the U.S. among the countries in the region, given that this is a key element of the effectiveness of this type of cooperation scheme. In this sense, it would be useful for the pragmatic approach of this document to be complemented with a more enhanced recognition of the interdependence that exists, which would contribute to promoting more solid relationships based on mutual trust.

Develop sustainable energy sources and combat climate change

In terms of the development of new energy sources and controlling carbon emissions, it would be ideal to formulate specific measures regarding energy efficiency, which is a subject currently undergoing its initial development stages in the U.S. and Latin America.

Managing migration effectively

The current immigration policy of the U.S. has proven to be ineffective in preventing the illegal entry of people, and it overlooks the important contributions of immigrants to the U.S. economy. The importance of Hispanic descendants at the ballot box is of such significance that it should be a central topic on the domestic policy agenda of the new administration, and it should also inform the introduction of proposals more radical than those presented by the Partnership for the Americas Commission. It is especially important to define more expeditious mechanisms to legalize illegal immigrants, to simplify the process of legalization, and to promote the necessary

incentives so that legal migration of skilled and non-skilled workers will be the norm in the future.

Achieve hemispheric economic integration that will benefit everyone

While this field registers the most progress towards regional integration, the creation of an economic area for the continent is perhaps one of the biggest challenges. This is due to differences in policy, low support for this type of initiative, and the global financial crisis, which is forcing some governments, especially the U.S. government, to adopt protectionist measures.

It is clear that economic integration should be the road undertaken by the region in the medium-term, as it has the potential to benefit all. Bilateral agreements are a valid alternative to multilateral agreements, especially under current conditions, where political divergence and low political will from the U.S. Congress to approve agreements prevails. This document states the convenience of bilateral agreements versus multilateral agreements, advocating the first as less beneficial than the latter, but without offering any empiric support for this judgment. Aside from being misguided, this type of argument is highly inconvenient as a principle upon which an agenda of hemispheric economic integration would be established. Bilateral agreements should be promoted and recognized as a valid and important mechanisms of advancing integration in the region.

In addition, within the context of the worst economic crisis that the U.S. has experienced since the Great Depression, the adoption of measures that may imply a reduction in agricultural subsidies, such as those contemplated at the Doha Round, will lose their relevance as the platform for the implementation of such measures has no political sustainability.

Protect the hemisphere from organized crime

Without a doubt, drug trafficking is one of the main causes of security problems in the region. Conflicts generated by the fight for control of trafficking routes and the distribution of narcotics, money laundering networks, and the financing of terrorist groups and organized crime groups, in addition to the implications for public health, are just some of the consequences of the drug trafficking business and its high return levels.

The recommendations made in the report are interesting and feasible because they are focused on the prevention of consumption and interdiction; however, they rule out alternatives such as the decriminalization of drugs as an ideal option to separate the issue of public health from the issue of security. In addition, this report does not mention other critical aspects of the regional security agenda, such as the internal conflict in Colombia that has recently involved countries such as Ecuador and Venezuela as active parties. These countries have the potential to become a source of dispute during the generation of proper conditions for the security of the continent, and the establishment of cooperative relationships and trust needed to move forward in all other aspects of the joint agenda.

Experts have warned of a growing trend in the purchasing and trafficking of weapons, an issue that has not been taken into account in the diagnosis and subsequent formulation of alternative policies. A first step in this sense should be agreements on the exchange of information related to the purchase of weapons in a forum such as the OAS, which has already established platforms for the discussion of these issues.



## U.S.-Cuba Relations

The Commission proposes a redirection of U.S. policy that will allow Cubans to have greater participation in the democratic process, the opening of trade and diplomacy in their country. Nevertheless, the measures proposed do not tackle the issue of the embargo, which is the fundamental piece of U.S. policy toward Cuba and one of the most significant obstacles to foreign relations between the U.S. and Latin America.

As the report recognizes, the measures proposed are similar to those implemented in 2003 by the Clinton administration, and until the issue of the embargo and access to foreign credit are directly dealt with, factors that legitimize Castro's government will remain. The continuation of the embargo is a matter of cohesion for the Cuban people and it frees the administration from any responsibility for social and economic conditions.

Lifting travel restrictions, authorizing the sale of communication equipment, and promoting cultural exchanges are complementary measures that cannot generate profound changes in the political order of the region. The suspension of the embargo against Cuba can have potentially good effects on all the countries in the region in terms of building confidence, and establishing new relationships with the United States.

## New Ideas: Moving Ahead

Topics to include in the agenda

In addition to the topics included in the report, we identified at least four other topics that should be addressed:

- Human rights;
- Terrorism and organized crime;
- Poverty and inequality, and;
- Democracy

## Issues on US-Colombia relations

Colombian diplomacy currently faces a significant challenge in terms of its position as a strategic ally of the Obama administration. Plan Colombia has lost its relevance as the central proposal for foreign policy in the Andean region and it is necessary to devise a new aid package that will help sustain the security improvements achieved thus far with the use of these resources. In matters of security and migration, Mexico and other Central American countries will be the central focus, and we envision Brazil leading in matters of trade and the environment, diminishing Colombia's role as a key ally of the U.S.

Nevertheless, this does not mean that Colombia's potential to make itself a key ally of the U.S., in relation to its new foreign policy agenda, has diminished. First, the country has great potential as a provider of environmental and energy services. Second, Colombia has shown important accomplishments in the fight against the different links involved in the production and commercialization of illicit substances even in spite of the growing importance of Mexican cartels; a policy of this magnitude cannot fail to recognize the role played by producing countries. Lastly, and perhaps most importantly, Colombia is the most important political partner of the U.S. as it counterweights left-leaning governments in the region and their anti-U.S. discourses.

*Based on the discussions at Fedesarollo, the  
“Instituto de Ciencia Política Hernán Echavarría Olózaga (ICP)”  
prepared the summary below.*

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## The Report

In its report the Commission makes a set of recommendations to the U.S. administration on foreign policy towards Latin America in four key central areas: developing renewable energy sources and combating climate change, managing migration, making economic integration work for everyone, and reducing drug trafficking and organized crime. The document ends with a set of recommendations to improve U.S. policy towards Cuba.

## Commentaries

Aside from the pragmatic nature and optimistic outlook that characterizes this document it is important to take into account some reflections, mainly of a political nature, that may slow the formation of a hemispheric alliance. Latin American is not the primary focus of the new US administration's foreign policy objectives. Moreover, domestic demands will continue to take precedence over external affairs.

In addition, it is somewhat naive to assume Latin America is a homogeneous unit, thereby ignoring the very different ideological and political elements that distinguish each of the governments of the region. Today, the necessary conditions to generate integration in Latin America are more precarious than they were during the 1990s. The ideological and neo-populist components that have swept throughout the region make for a highly complex context in which different types of interests and protagonists converge, making it very difficult to work multilaterally.

Similarly, as is acknowledged in this document, the lack of economic resources as a result of the global financial crisis poses a great challenge to all governments. In the majority of cases, maintaining active economies while also developing social programs intended to lessen the impact of the financial crisis on the least privileged sectors of society are actions will only be possible through cooperation among a number of international actors.

In relation to the four key areas covered in the report, it is evident that they require actions from the different countries within the scope of their means. Nevertheless, we must take into account some elements that require further analysis:

Developing renewable energy sources and combating climate change

Energy interdependence is risky given the instability of exploitation and treatment of resources. Nationalizations undertaken by governments such as those of Venezuela and Bolivia, which are the main producers of oil and gas in Latin America, are examples that seem to be resonating in other parts of the continent and that pose a threat, and politicize access to resources. The level of uncertainty and general losses to the private sector as a result of these nationalizations reduces the likelihood of foreign investment, which is critical in a time of crisis.

In terms of the production of biofuels it is important to keep in mind the main problem related to their production: the food crisis. The United States and

Brazil are the world's main producers of green fuels: together, they control roughly 90% of the world's market, and they have both engaged in this activity to reduce their dependency on oil. Nevertheless, we have seen a reduction in the supply of rice and corn in both countries and the resulting increased price of basic products, which primarily impacts the poorest sectors of society. If this phenomenon continues it will worsen poverty conditions across the continent and the world.

Lastly, the fight against climate change is an outstanding debt that the U.S. has with those governments that did sign the protocol for environmental protection. To lead a post-Kyoto Protocol agreement that will guarantee the commitment of countries to reduce the emission of toxic gasses and to develop clean energy sources is a major challenge for President Obama and his Climate Change envoy Todd Stern.

#### Managing migration effectively

In addition to the issues that arise as a result of illegal immigration to the United States, it must be recognized that this problem also involves the projection of an aggressive image against Latin-Americans. This image is detrimental to the framework of hemispheric cooperation. Issues such as the wall built along the Mexico border and the inefficient and increasingly aggressive management of law enforcement policies must be reformulated in an effort to rebuild the image of the U.S. as a democratic and inclusive nation, an image that it has attempted to convey throughout its history.

Another very important subject within the scope of migration is remittances. Remittances are capital flows which energize Latin American economies. At

a time of crisis these resources are vital to the survival of national economies. Therefore, it is necessary to coordinate intergovernmental fiscal measures that will eliminate the tax on these resources in cooperation with the banking sector and intermediate agents.

Alternatives in this field may include: first, legalizing immigrants who have lived in the U.S. for several years and who contribute to the productive apparatus of the country, and second, devising a system of temporary visas in accordance with the needs of the U.S. economy and society.

#### Making hemispheric economic integration work for everyone

It is clear that in spite of the good efforts that President Obama may undertake in terms of foreign trade, especially in terms of the culmination of the commercial agreements with Colombia and Panamá, the final decision belongs to Congress and its political will to ratify these and any other free trade and integration agreements.

It is crucial not to envision Latin America as a single unity. The establishment of multilateral agreements is neither real nor feasible, given the current political context. This gives renewed importance to the need to consolidate and to strengthen bilateral agreements. We cannot dismiss the importance of bilateralism in the consolidation of agreements with the countries of the region.

#### Reducing drug trafficking and organized crime

A fundamental premise that we have yet to acknowledge is the need to differentiate the fight against drug trafficking and security and defense issues. While drugs and arms trafficking is an issue of concern that

requires joint efforts from all countries in the continent, we cannot overlook the arms race undertaken by the Venezuelan government, its links to radical Islamic organizations, its associations with countries who belong to the so called “axis of evil”, its support of narco-terrorist organizations and other subjects that threaten the hemisphere’s security beyond the issue of drug trafficking.

In addition, after more than four decades of failed attempts to reduce the production and consumption of illicit substances, four decades in which narco-trafficking and crime organizations have evolved, it is necessary to question whether the time has come to adopt more liberal measures ranging from the decriminalization of consumption to the legalization of drugs. The United States must also recognize and work eagerly to curtail its consumption problem, because as long as there is demand there will be supply and with it, a consolidation of narco-trafficking organizations.

Another issue that the United States must respond to is the Mexican government’s request for the U.S. to control the sale of weapons, given that these weapons are ultimately used by Mexican mafias.

Cuba and the United States: Re-thinking a diplomatic relation

While initially believed that this would not be a transcendental subject, it is currently headlining across the main public opinion stages. The fundamental thesis that should be employed in rethinking US-Cuban relations should be that, even if there are substantial changes made to the policy of the U.S. towards the island, the Cuban context has not changed and it has not evolved towards the building of a democratic model. On the contrary, the election of its current

President is evidence of how a basic principle of democracy such as the freedom of the people to choose its leaders, continues to be denied.

Finally, it is important not to ignore the fact that in Latin America we cannot talk about “trustable allies” based solely on countries that hold elections. On the contrary, today there are many countries across the continent that have adopted a model of plebiscite democracy, whereby while pretending to uphold a participative democracy and majority rule, they in fact disregard institutionalism and the basic principles of the rule of law.

Faced with the lack of institutionalism that continues to characterize our region it is truly difficult to engage in joint tasks, ruled by basic, consensual and inalterable principles; a fact that does not guarantee at any level the stability needed to consolidate a hemispheric partnership.

Comments by:

## FUNDAÇÃO GETULIO VARGAS (FGV)

Rio de Janeiro, Brazil

March 27, 2009

### The Report

The report was prepared by a commission, a third party of relative independence, which is able to introduce recommendations in the agenda that people involved in the process do not see. The initial idea was not to preach to Latin Americans what to do, but to set forth items that should be discussed in the agenda. Upon revision of the topics, we can say that this report introduces new themes. The first is energy, sustainable development and climate change. One of the most interesting recommendations in this area is the creation of a renewable energy laboratory, which brings to light the discussion of scientific and technological capabilities. Brazil has a great potential in the production of sugar cane, given its many decades of experience in this field, but regional integration needs to be structured. Energy creates huge mechanisms for cooperation.

Other topics of interest for Brazil are migration, which has become a foreign affairs priority due to the number of Brazilians living abroad; drugs and organized crime, as it challenges the public order and the stability of the state; and Cuba, which was not relevant in the past, but can be a focal point of the new approach of the U.S. towards the region. One of the virtues of this report is that it dealt with themes that are not traditionally in the agenda.

### Commentaries

The concept of U.S. relations with Latin America is old, dating to the second half of the 20<sup>th</sup> Century.

Brazil is not comfortable with the concept of “Latin America.” “South America” seems much more appropriate in its view. Mexico is seen as being part of North America, and it is problematic to include it in Latin America.

Brazil is the only country in South America with aspirations of becoming a global power. There is currently a division in Latin America and the U.S. has been excluded from regional organizations.

This document deals with shaping policy for a new administration in order to influence U.S. foreign policy for the region. The document does not consider the crisis, which has changed the global and the regional scenario. Moreover, China and its influence in the region are not mentioned.

Regarding the question of asymmetries mentioned in the report, differentiating Brazil would have been useful, like the report did with Cuba and Mexico. In the document, it is also not clear when it argues for the ‘protection of our interests’ and for the ‘protection of the approximation with the United States’. Attending to the legitimate aspirations of American workers is not of interest to Latin America, for example.

Even though the OAS is deficient, it has advanced good outcomes in human rights and democracy building. This is one of the areas in which its work is useful and there is no need to get rid of it.

The document focuses on U.S. interests. There is a part that says that “Latin America is becoming a more reliable partner.” Whether the United States would be a reliable partner to Latin America is a question that was not raised in the document.

The report demonstrates that the U.S. wants to propose a strategy of strengthening ties with the region. The Commission acknowledged that there was not going to be a commercial agreement without Brazil, which was a good point.

When the United States thinks about its relations with others it tends to assume that those others have similar structures. In other countries, we do not find structures with the same efficiency as in the U.S. Americans have difficulty understanding the need for multilateralism. This doesn't mean that the bilateral exercise between Brazil and the United States is not central to Brazil's foreign policy; in fact, it is. But Brazil today also has relationships with the other BRIC countries and with South Africa. Brazilian activism turned the country into an international voice. Brazil has started to define its identity, its specificity. It is a condition for becoming a bilateral player.

Brazil has three commitments not to acquire nuclear weapons: The Treaty of Tlatelolco, the Treaty on the Non-Proliferation of Nuclear Weapons, and the Constitution of 1988. Brazil will not stop enriching uranium due to international pressure. There is no ambiguity in enrichment for peaceful ends. Brazil should continue to develop its technology pacifically and without external interference.

Ethanol is an important subject for Brazil and for the U.S. There is an interesting issue to consider of the certification of ethanol, but then Brazilian and U.S. production would need to be certified.

On the climate front, it is important to acknowledge that no environmental problem in the world will be solved without Brazilian participation.

If the U.S. government does what is recommended in the report we will be better off than we are now. Credible and meaningful changes in the US approach are needed.

### **New Ideas: Moving Ahead**

In order to be innovative, a document like this needs to consider the aspirations and interests of Latin Americans. It should have had two or more sections. It should have presented and distinguished American interests, regional interests, and those of a few other countries.

Moreover, it would be interesting to look at European-Latin American relations, and Chinese-Latin American relations. It would be impossible to understand Brazil without considering China and Europe.

Comments by:

## CENTRO DE IMPLEMENTACIÓN DE POLÍTICAS PÚBLICAS PARA LA EQUIDAD Y EL CRECIMIENTO (CIPPEC)

Buenos Aires, Argentina  
March 30, 2009

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### The Report and Commentaries

The report issued by the Partnership for the Americas Commission is timely and straightforward in outlining the United States' motivations. It provides hemispheric solutions for global problems that require global solutions.

However, the report assumes that Latin America is an homogeneous region. This is a conceptual error. It is evidenced in the four issue areas covered by the Commission, which are not equally important to the region as a whole. While the document acknowledges some changes in Latin America's interests, since the United States' withdrawal from South America, only North America has achieved enhanced economic integration with the United States. In this sense, issues such as immigration are not a subject of interest to South America.

The areas of cooperation covered by the Commission have a different impact in each of the sub regions of Latin America. The level of intensity of the effects of each of the issues covered in the report is felt differently from north to south. In this sense, while in the south the issue of drug trafficking is increasingly urgent, in Mexico it is unfolding in a low-intensity war that significantly threatens democratic institutions. Combating drug trafficking is one of the most pressing issues in need of decisive action, given that the outlook in Mexico has become worse than in Colombia. This matter demands active and cooperative participation from the U.S. and Latin America.

Along these lines, the document scarcely addresses the trafficking of synthetic drugs and arms even though 92% of the region's weapons come from the U.S. The document also fails to address the relationship between organized crime in the U.S., Latin America and Europe.

In terms of governance and poverty, it was highlighted at the meeting that there are fundamental problems that persist in Latin America and which the document does touch upon. These are issues of governance, education, poverty and income distribution, democratic instability and the relationship between the electorate and the public. It is obvious that Latin America is experiencing an ongoing governance crisis, especially when considering that between 1998 and 2003 there were 13 elected presidents in South America who were unable to reach the end of their terms.

Moreover, while recent experiences in the region have demonstrated that the United States' intervention is usually unsuccessful in avoiding policies that interfere at the domestic level, the Commission does not delve into issues such as exclusion and poverty and shows a preference for the analysis of areas where concrete mutual cooperation is more viable. Nevertheless, while there is no established formula for development, and it is indispensable to respect each country's sovereignty when proposing policies aimed at combating poverty and exclusion, the Commission fails to analyze the direct relationship

between the region's governance crisis and these issues. Democratic instability poses a constant threat to the region; it is an issue that deserves consideration and mutual cooperation in order to strengthen democratic institutions.

On the other hand, the recommendations to seek better engagement with countries such as Venezuela, and to open dialogue with Cuba, are very positive, especially such actions promote a dialog with the Organization of American States (OAS).

## II. New Ideas: Moving Ahead

The report omits subjects that are crucial to the Latin American agenda. Subjects suggested for discussion include:

1. The role and the quality of investment in Latin America;
2. Governance and poverty;
3. International crisis;
4. The inclusion of positive themes in the agenda which will contribute to enhancing ties between the United States and Latin America.

Regarding the role and the quality of investment in Latin America, it would be interesting to incorporate a section in the document that outlines an analysis of the effects of the presence of transnational companies in the region. This is an asymmetric relationship because while multinational corporations have a great stake in Latin America, the region has little participation in the generation of revenue. Latin America has not taken a lead in the development of technology; its role is reserved for the end of the product cycle. Therefore, it is necessary to advance the search for better quality of investments and the help of North

American companies working in the region could be instrumental in that endeavor.

While many countries consider Argentina a country that supports the establishment of development and service centers, and while there are no direct restrictions from the United States on their establishment, the attraction of investments largely depends on Argentina and it is indispensable to create a common agenda between the two countries.

Moreover, the report does not discuss the impact that the international crisis will have in Latin America. On one hand, the region expects that, as a consequence of the global financial context, the United States will shift its focus away from the region, which will delay the creation of a common agenda, let alone a hemispheric alliance that would redefine relations. Nevertheless, this crisis can capitalize on some reforms to the structure of multinational organization such as the IMF, otherwise many surplus countries would be unable to obtain funds. This situation could help to ease the bipolarity that exists in Latin America.

In addition, the assumption of this document that there is a "trickle down effect" (whereby if the U.S. does well, Latin America will do well) was ruled out at the meeting. Instead it was suggested that U.S. relations with Latin America should take into account the differences that exist. It is necessary not to repeat mistakes made in previous attempts to establish hemispheric partnerships, which failed partly because Latin America was incorrectly assumed to be a homogeneous region and partly due to the asymmetry that characterizes the relationships amongst the different countries.



Additionally, the Commission is critical of bilateral trade agreements that the U.S. has established with some countries in the region in recent years. Instead it proposes the establishment of hemispheric agreements that seek to build a level of economic integration that will work for everyone. Nevertheless, during the last 20 years, the region has only seen bilateral agreements and countries that adopted them saw an improvement in investment and the formulation of policies that transcend beyond the economic aspect. Given that the viability of a hemispheric agreement is low and bilateral agreements did not have negative results, it is advisable to reevaluate their criticism.

Since the document focuses on four highly conflictive issues, it would be very interesting to include positive subjects in the agenda such as superior education and policies related to this field. Many of these positive issues, which often require little state intervention, are some of the most effective when unifying the region; they represent opportunities for the advancement of concrete action and policies.

Lastly, we suggest including countries such as Argentina or Brazil as models of the peaceful development of nuclear energy for all those other countries in the region that are in the process of setting rules that will guarantee the peaceful development of this type of energy. Along this line, it is necessary to state that the agreements made between the U.S., Canada, India and other countries are discouraging to the efforts made by Argentina and Brazil, both of which are countries that the United States recognizes as reliable in this field.

Comments by:

## CONSEJO MEXICANO DE ASUNTOS INTERNACIONALES (COMEXI)

Mexico City, Mexico  
March 30, 2009

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### The Report and Commentaries

The report was well received and it is seen as offering a practical model for “de-mystifying” hemispheric relations and for identifying some solid bases upon which to build cooperation. Below is a summary of the most critical and substantive comments.

The word “partnership” in the title is deceptive, given that what the report proposes really is a limited alliance based on a set of shared, narrow interests. Everyone agrees that partnership is the right way to go, but they are not sure “partnership” is the right way to describe it.

The report does not sufficiently recognize power asymmetries in the hemisphere. This is a divided hemisphere where many countries have different political visions about the role the United States should play (Bolivia, Brazil, and Venezuela in particular). These divisions will limit the kind of cooperation envisioned by the report, particularly on the energy issue.

Regarding multilateral organizations, on the one hand, there was concern about the “A8”; specifically about the legitimacy of such a body, the countries represented, and its relationship with sub-regional arrangements and formal inter-governmental bodies such as the IADB and OAS. On the other hand, it was acknowledged that the IADB and the OAS are in urgent need of reform. This issue needs to be covered

in more depth, and it could perhaps be a subject for a future report.

Canada was omitted in the report, which significantly reduces the hemispheric dimension of the study and its recommendations. The report does not sufficiently recognize the political constraint represented by the U.S. Congress. Why will these initiatives not fail again in the U.S. Congress, as they have so many times before?

The talk of hemispheric cooperation is a positive ideal, but Mexico already has special relationship with the United States due to the level of integration between the two societies, which is so high that it puts Mexico in a uniquely different position vis-à-vis the U.S. This means that Mexico should be discussed separately in terms of hemispheric relations.

What is the impact of the economic crisis on the diagnosis and recommendations of the report? The section on economic integration, in particular, could be rendered obsolete by the crisis.

Just as the US has accepted its responsibility on the issue of drug trafficking and on immigration, Mexico and other migrant-sending countries have yet to accept equal responsibility for these problems. These countries should focus on targeting development resources on migrant-sending regions; the mandate of the North American Development Bank (NADB) should be expanded.

### New Ideas: Moving Ahead

The conversation had two immediate consequences. First, COMEXI members encouraged Brookings to consider preparing a subsequent report, perhaps in one or two years, analyzing how the context has changed, whether the analysis made in the first report still holds, and whether the recommendations have gained traction in the U.S. government. Second, the members urged the COMEXI secretariat to begin work on a report of their own, taking a similar look at Mexico's hemispheric relations.

Comments by:

## CENTRO PERUANO DE ESTUDIOS INTERNACIONALES (CEPEI)

Lima, Peru

March 31, 2009

### The Report

The Commission that issued this report has a good balance between representatives from the U.S. and from Latin America and the Caribbean (LAC). The report points to the fact that there have been positive and negative aspects of U.S.-Latin American relations during the Bush administration, but conflicts in other parts of the world have caused the United States to neglect this region. This has imposed costs and resulted in lost opportunities for both the U.S. and LAC. Adding to this is the fact that Latin America is better prepared today, both from the political and business perspectives, which creates opportunities for multiple economic relationships. The Commission opted not to discuss historical issues, nor to prescribe easy solutions, but to concentrate in concrete areas where pragmatic recommendations were possible.

The areas considered in the report were sustainable energy and climate change, effective migration management, trade that benefits all, and the problems of narcotics trade and organized crime. As an additional theme, Cuba was included due to its important role in hemispheric relations. The recommendations, which proposed changes to the current situation, enjoyed a high level of consensus among participants. The difficulties of implementing the recommendations are manifold, and include the low effectiveness of the OAS and the modest results from Summit meetings. For this reason, working with smaller groups of countries could be a good option.

### Commentaries

The report is relevant and timely, as it takes into account the global financial crisis, the new administration in the United States, and the considerable differences among countries in LAC that make it difficult to have a regional working group. Latin American countries are not only different in their dimensions, size of populations and economic importance, but also culturally, in that a few countries are more confrontational and ideological and hold different and varying visions regarding democracy and the market. There are still high levels of suspicion, lack of capacity to fulfill commitments, and inequality, even now that countries are more mature.

One positive aspect of the report is that it treats LAC countries as mature, and does not resort to paternalism. It deals with a broad range of subjects where mutual interests and possible solutions could take place. However, questions remain as to whether these themes are really hemispheric or simply bilateral or regional, and if they are actually common to all countries. A Latin American approach to this report would have incorporated different subjects, especially challenge of still precarious democracy throughout the region, intra-regional confrontations, poverty, social inclusion, education, and innovation. The situation of several democracies, as well as human rights violations, the low quality of the justice system, and the extensive corruption are themes that the region ought to deal with. Identifying common themes and bilateral, sub-regional, and hemispheric

agendas is crucial. On U.S.-Peru bilateral relationship, for example, there was a relevant improvement in the last years, especially due to Peruvian actions. Several issues were resolved, and the Free Trade Agreement was settled.

Bilateral trade agreements are not “second best” options, because they involve elements that compensate for the limitations of multilateral agreements. They also contain political and strategic connotations that can be as important as the economic ones. The “Latin American Pacific Arch Initiative” aspires to integrate the countries that have an FTA with the United States into the current and much larger economic spectrum.

The themes selected in the report are central to the United States. Poverty is a central problem in Latin America, affecting huge percentages of the population. Equally important is the issue of inclusion, especially in situations of economic success accompanied by social failure. A high increase in inequality results in anti-state sentiments and threatens democratic and governmental success. It is crucial to find formulas to enrich cooperation when dealing with these issues. The themes of education and culture are also essential, and the Inter American Development Bank should provide special assistance to mobilize human capital.

The expression “Western Hemisphere” used throughout the report is only used and understood in the United States. The term “inter-American” (and not “pan-American”) seems more appropriate. The question about whether Latin America is effectively one region, with its own identity, is old, and has been widely discussed in the U.S. and within the region. The project of “hemispheric solutions for global problems” is important and corresponds to the new

foreign policy focus of the United States. However, it is necessary to address the problem of weak states in the context of failed states, where both governability and state structure are fragile.

Innovation should help countries reach energy sustainability. The laboratory of the Americas mentioned in the report should address several types of energy, and not only a few of them, such as ethanol. Brazil is an important player facing several problems in terms of use of land, forests, and water. There is a need to recognize the decreasing importance of natural resources in knowledge societies that demand them on a smaller scale. The report is brief in terms of presenting more in depth studies on energy, climate change and water. There is also need to preserve the Amazon as part of the initiatives to combat climate change.

The matter of immigration should have a component that studies initiatives to motivate Latin Americans to remain in their countries of origin on the one hand and to facilitate the assimilation of immigrants in the United States on the other hand. Migration is a crucial topic between the United States and Latin America and it is one with considerable differences from state to state. Countries of Central America, Cuba, and the Caribbean show a one-way migration flow to the U.S; Brazil is a net immigrant receiver; and the Andean countries suffer from Diasporas of the whole world (in the case of Peru, this is true especially to neighboring countries). Also worth understanding is that the “brain drain” in Latin America is more distressing than the “labor drain.”

The fight against drug trafficking has not failed, but the problems still exist and their treatment requires a new approach to eradication, production, prevention and consumption. A public health approach

cannot be adopted without taking into consideration the security problem. Following the position of *The Economist*, without legalization there will be no way out for the drugs problem – demand needs to be reduced in the United States and Canada. But there is also need for a deeper assessment on the drivers of drug consumption.

China is becoming a country of great relevance for Peru. New players currently raise doubts in the region, such as Iran, whose regional involvement and whose investments in oil and energy in Ecuador raise concerns. It is important to understand the relationship between the OAS and UNASUR. The possible “G8” of the Americas might not be a good idea, as there are already too many multilateral institutions. A net of institutions, provided they are flexible, might serve well as influential groups, but the official institution should still be the OAS. The Inter-American Development Bank should also be empowered to treat and discuss common interests.

The changing U.S policy towards Cuba should not provide rewards for that country. This would be unfair to other Latin American countries that have made substantial efforts to improve their democratic and economic systems.

### **New Ideas: Moving Ahead**

Treating Latin America as a “community of interests” is a simplification and a caricature. The document should refer to a “relationship among the countries in the hemisphere”, which is not U.S.-LAC, but a relationship among all. A type of OECD should be created in order to promote a voluntary partnership for development with participation conditions.

The report could be complemented with another one originating within the region, where questions of common interests, Latin American identity, and democracy are taken into account. However, it is important to note that it is impossible to seek a comprehensive approach to solving the hemisphere’s problems as they were proposed by the “Partnership for Progress,” especially in the current context where conditions have changed, as evidenced by enhanced ties between Latin American countries and Asia, particularly China.

It is difficult to treat Latin America as one collective bloc. Reforming the OAS or having working groups without excluding any country would be challenging. The OAS should be strengthened and modernized. Also, the presence of new non-democratic extra regional state and non-state actors in the region, including China, Iran, and Russia, should be addressed.



