



LATIN AMERICA IN US FOREIGN POLICY: CHANGING INTERESTS, PRIORITIES AND POLICIES

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The significance of Latin American and Caribbean countries for the foreign policy of the United States has changed in recent years, more than the concepts many analysts use and the language that policymakers often employ. Developing effective US policies toward Latin American and the Caribbean depends in part on better understanding the challenges, threats and opportunities Latin America presents to the United States, now and in the foreseeable future. This essay relates evolving Latin American realities to current and emerging US interests and priorities in a changing world environment.

TRADITIONAL CONCEPTS

From the late 19th century into the final decades of the twentieth, US government authorities (both in public statements and in secret documents) as well as outside experts usually coincided in asserting that Latin American and Caribbean countries were important for US foreign policy. The reasons Latin America was said to matter to the United States were military security, political solidarity, and economic advantage, defined then primarily in terms of US imports of raw materials and agricultural products from Latin America and US investments in the region.

For many decades, Latin America was said to be 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 in the early years of the twentieth century, 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. During both World Wars and in the Cold War period, US military directives assigned high priority to securing this defense perimeter against Germany, the Soviet Union or any other potential extracontinental adversary. Latin America was valued, too, as a prime source of strategic materials. During the first half of the 20th century, Latin America was by far the most important source of imported petroleum for the United States, and it was also the key supplier of several other raw materials needed for military purposes.

Latin America was also a cornerstone of US 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 US foreign policy, and indeed of the policy of many Latin American nations. This concept was not mere rhetoric for ceremonial purposes; it was central to practical cooperation in the League of Nations, the United Nations, the Organization of American States, the Inter-American Defense Board and elsewhere. During the early years of the United Nations, for example, the Latin American bloc accounted for almost one third of the membership of the General Assembly, and its alignment with the United States on issue after issue—relating to Russia, China, Korea, Palestine and other issues—was of critical importance.

Latin America was also generally perceived as of great economic worth to the United States, both as the main source of various mineral and agricultural imports, and as an arena for US private direct investment. Latin America was by far the most important such arena through the first half of the 20th century, providing important opportunities for US economic expansion after World War II, as US firms displaced European companies in industry and commerce, complementing their prior stake in mining, agriculture and utilities.

Although affirmations of the significance of Latin America for US security and diplomacy and for the US economy long continued to appear, not only in rhetoric but also in strategic planning documents, the fact is that all three reasons for Latin America's supposed importance to the United States declined steadily from the mid-20th century to the 1990s.

Revolutions in military technology and in maritime trade reduced the strategic significance of Latin America to the United States, even of the Panama Canal. Super-tankers used to transport petroleum became too large to transit the Canal, as was also true for the aircraft carriers around which US naval forces became organized. 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. By the late 20th century, Latin America's relevance to the military security of the United States, understood in traditional terms, was negligible, although no one proclaimed this. The network of bases around the Caribbean was no longer important. Indeed the largest of these, at Guantanamo Bay in Cuba, ceased to have important military significance. Instead, in recent years Guantanamo became first a holding station for unauthorized immigrants and then an interrogation center for "enemy combatants," new missions related to new priorities in a transformed international context.

The traditional diplomatic value of Latin America to the United States also declined sharply, beginning in the 1970s and the 1980s, as many Latin American countries increasingly expressed their solidarity with the Third World rather than with the United States and pursued their interests independently of and even in opposition to the United States. In the 1985 UN General Assembly, for example, 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 US military intervention of October, 1983. Cuba and Nicaragua opposed the US position more than 90% of the time, but more striking was the fact that Brazil, Mexico and Argentina opposed the US stance on some 84% of the votes. The days of automatic alignment ended, as Latin American nations began defining their own interests as they saw fit, not on the basis of presumed Western Hemisphere harmony. It was no longer possible simply to assume that US-Latin American cooperation would occur; cooperation had to be fashioned mutually, on the basis of shared interests and perceptions and of give and take, not presumption or fiat.

Latin America's relative economic significance to the United States also declined over many years, though it has made something of a comeback since the mid-1990s. With the tremendous burst of US investment in Europe, Asia and the Middle East from the 1950s on, and some US divestment from Latin America in the 1960s and 1970s (mainly from the resource extraction and utilities sectors), the relative 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 value of Latin American natural resources and primary products for the United States. By the 1980s, Latin America was still moderately important for a few particular US corporations, but was not of high priority for the overall global economic role of the United States. By the same token, the United States was still disproportionately important for the economies of many Latin American and Caribbean countries. But many Latin American nations, especially in South America, began to diversify their economic relationships away from the United States – building

much stronger investment, commercial and financial relationships with each other, with Europe, and with Asia, first with Japan and, more recently, with China. This last trend has recently gone so far that a CEPAL report in 2010 warns of the danger of Latin American dependence on China, not the United States! A few Latin American countries, especially Mexico, are still important to the US economy, especially as markets, but Latin America's overall significance is less than that of Asia, the Middle East or Europe for the contemporary US economy.

This background is emphasized because the inertial power of long-standing concepts -- repeated in official rhetoric and in legislative testimony, budget presentations and political discourse -- sometimes obscures the fact that old frameworks no longer apply. Statements continue to be made about Western Hemisphere solidarity and Pan-American cooperation in security, political and economic terms that do not stand up to critical scrutiny. By the same token, comments continue to be made by some Latin Americans about rapacious North American designs in Latin America, the nefarious influence of US corporations and the Pentagon's supposed control of Latin American militaries that have little or no contemporary reference points. Clichés that have a historical basis but lack contemporary substance or relevance are often repeated.

WHY LATIN AMERICA (INCLUDING THE CARIBBEAN) MATTERS TO THE UNITED STATES TODAY

The countries of Latin America and the Caribbean matter much less to the United States than they used to from the standpoint of excluding extra-hemisphere influence, military or ideological. There are no credible scenarios today in which the military security of the United States is seriously threatened in or from Latin America or the Caribbean. Nor is Latin America today a likely target or source of international terrorism aimed at the United States. Latin America poses neither urgent and immediate security challenges nor other issues of imminent concern for current US foreign policy.

But Latin American countries—especially the closest neighbors of the United States in Mexico, Central America and the Caribbean and the region's largest and most influential country, Brazil—are increasingly important to the United States and its future in significant day-to-day terms, not in crisis scenarios, but in ways that cumulatively and importantly affect the United States, its citizens and their interests.

The contemporary and predictable future importance of Latin America for the United States derives mainly from four sources:

First, there is a very high and still growing degree of demographic and economic interdependence between the United States and its closest neighbors, primarily (since the Hart-Celler US immigration reform of 1965) because of massive migration to the United States from Mexico, Central America and the Caribbean (and to a lesser extent from Colombia, Venezuela, Ecuador, Peru and other countries), and secondly because of growing functional economic integration, particularly of labor markets, between the United States and the countries of its border region. Preliminary data from the 2010 US Census suggests that the Latino/Hispanic population of the United States has reached fifty million, mostly as a result of the massive immigration of the past forty-five years. The growth in the US labor force from now until 2050 is expected to come entirely from recent and future immigrants and their descendants, mainly from Latin America and the Caribbean. More than twenty percent of the labor force of Mexico are employed in the United States, and nearly twenty percent on average of the population of all the Caribbean islands now reside in the United States.

These processes of ever closer intertwining have changed the nature of the ties between the US and its closest neighbors as well as the content and significance of the issues these ties pose. The salient issues in US relations with its closest neighbors are no longer classic questions of foreign policy and international relations as traditionally conceived but rather are “intermestic” issues—combining international and domestic features and facets. These “intermestic” issues—curbing human, drug and arms trafficking; managing immigration; protecting the environment and public health; responding to natural disasters; managing the border to expedite lawful exchanges and stop harmful ones; establishing portable retirement and health benefits; arranging dual citizenship, etc.—are matters of growing concern in an increasing number of communities and regions in the United States, both the traditional immigrant destinations and the “new gateway” cities. The intense interconnections between the United States and its closest neighbors, unprecedented in scope and depth, create a unique international interest. This priority is reinforced by a domestic US political process in which diaspora communities are increasingly active participants. Hispanic/Latinos made up at least 7.4% of the voters in the 2008 election, up from 5% in 2000, a trend which is expected to accelerate rapidly, and is of decisive electoral significance in a number of contested states.

Second, several Latin American and Caribbean countries are important to the United States because of the roles they do or might play in helping to solve (or worsen) significant global problems that the United States cannot successfully handle by itself, and on which close and sustained cooperation from regional partners is desirable or essential. These problems include climate change and other environmental issues, public health, narcotics, organized crime and youth gangs, food security, the protection of cyberspace, the reform of international trade and financial regimes, curbing nuclear proliferation and countering international terrorist movements. Since 9/11/2001, US government officials typically would mention the last two items first, but the other issues are also important, perhaps more so especially from a Latin American perspective; effective inter-American cooperation depends on Washington’s understanding that. On each of these significant issues, one or more Latin American nations are important actors in the global context, due to their direct impact on the issues and/or their influence on the chances of creating effective international responses.

Third, a few Latin American and Caribbean nations are still important for the economy of the United States, some increasingly so. This is particularly true of those countries that comprise large markets for the export of goods and services from the United States; those that offer significant investment opportunities for US firms; and those which are or may become substantial sources of energy, renewable or nonrenewable, to fuel the US economy. This economic relevance of some Latin American countries for the United States will increase further as expanding middle classes produce larger markets for US exports, from computers and cell phones to entertainment, retail discount stores and home mortgages.

Fourth, Latin America has some recurrent priority in the foreign relations of the United States because of values shared in the Americas, particularly regarding fundamental human rights, including the rights of free political expression and unfettered participation in self-government. Whenever a US administration loses sight of these values and their salience in US-Latin American relations, the US public—largely through the activities of nongovernmental organizations—tends to push the issue back onto Washington’s agenda. And when a Latin American or Caribbean country systematically violates the shared norm, this usually becomes a complicating factor in its relations with the United States.

IMPLICATIONS OF STRATEGIC INTERESTS FOR POLICY

This framework of four major ways in which Latin American and Caribbean countries matter to the United States has a number of implications for US policy, now and in the foreseeable future.

First, the framework shows why the relationships with Mexico—and (to a lesser but important extent) the Caribbean and Central American countries in its immediate border region—are bound to be a high priority for the United States, for these countries are strongly relevant with regard to all four criteria. Mexico and the Central American and Caribbean countries are deeply interconnected with the United States and pose numerous intermestic issues. These countries, especially Mexico, are important markets for US exports and arenas for US private investment. Some of them (again especially Mexico) are important players with regard to the transnational and international agenda of issues on which the US needs cooperative partners. And these nearby countries pose issues of human rights and democratic governance, as well as humanitarian issues, that attract the attention and activity of US citizens and NGOs.

Second, the framework suggests why managing its relationship with Brazil is an increasing priority for US foreign policy. Brazil is important as an arena for US investment; as a substantially and potentially even more important market for US goods and services; as a potentially important source of energy; and especially because of Brazil's current and prospectively greater significance as a global actor in dealing with major challenges ranging from climate change to nuclear proliferation, trade to energy, international peacekeeping to global governance. Mexico, Argentina and Chile also are relevant in different ways and to different degrees to the global agenda of the United States, but none rivals Brazil's importance.

A third implication of the suggested framework is that many Latin American countries matter to US foreign policymakers mainly to the extent that they present and/or help resolve troublesome concrete issues, such as narcotics and crime, infectious diseases, or the potential exploitation of failed governance by international criminal or potentially terrorist networks. Political rhetoric and diplomatic representations may attempt to cover up the tendency to frame US policy mainly in response to dangers the United States wishes to reduce or to quarantine, but it is important to recognize this reality.

A fourth implication of the suggested framework for understanding US interests in Latin America today is that US attitudes toward the presence and influence in the Americas of extra-hemispheric powers are (or at least ought to be) very different from what they have been historically. In past eras, US policymakers gave top priority to excluding or minimizing the presence of extra-hemispheric powers in the Americas as well as preventing the rise to power or maintenance in power of political movements linked or potentially linked with such powers, especially the political left during the Cold War years. The inertial sway of outmoded mindsets is evident when some in the United States, mainly in Congress and in the media, revert to Cold War concepts and language, substituting "terrorism" for "communism," emphasizing the "threats" from Iran, China and Russia; or talking darkly of a "leftward swing" or "pink tide" in Latin America. But these comments are aimed at domestic political advantage more than reflecting actual foreign policy concerns.

The US government today is no longer concerned with keeping the Latin American left from power. From the 1960s through the 1980s, it would have been hard to imagine Washington accommodating such Latin American leaders as Lula (or even Fernando Henrique Cardoso, indeed) in Brazil, Ricardo Lagos and Michelle Bachelet in Chile, Tabaré Vázquez and José Mujica of Uruguay, Mauricio Funes of El Salvador, Fernando Lugo in Paraguay or Leonel Fernández in the Dominican Republic—all of them lineal descendants of the parties, movements

and leaders against which the United States intervened in the 1960s. The United States government has its discrepancies with Hugo Chavez in Venezuela, Evo Morales in Bolivia, Daniel Ortega in Nicaragua, the Castros in Cuba and others, but there are evident limits on US intervention against them, and practical cooperation continues between the United States and the governments of all these countries, even Cuba. No one really expects the Marines to land in Caracas or the CIA to assassinate Chavez or Morales; by the same token Venezuela is unlikely to cut off petroleum exports to United States, and Bolivia seeks international investment from the United States and other countries to develop its natural gas and lithium deposits.

China's commercial and investment presence in the Americas today far exceeds that of the Soviet Union or Germany in earlier periods, but the Chinese presence does not raise serious concerns for US policy. China's commercial exchange with many Latin American countries strengthens those countries' economies, thus expanding their potential as markets for US products. Contemporary Russia's presence in the Americas, partly commercial but also political and military, has more to do with Russian attempts to establish that they want to be taken into account in international arenas (mainly with respect to other issues) than with presenting any consequential direct challenge to the United States or its interests in the Western Hemisphere. Iran's efforts to build relationships with Venezuela, Brazil, Bolivia, Argentina and potentially other countries is the one significant current extra-hemispheric concern for US policy, mainly because Iran and the United States appear to be on a broad collision course, and Iran can therefore be expected to use its presence in the Americas to cause problems for the United States. Opinions differ about the urgency or magnitude of this concern; intelligence agencies charged with preparing worst case scenarios focus on alleged Iranian links with Hezbollah, Hamas and other Islamic groups, while the Department of State and the Pentagon are somewhat less concerned.

As compared with the Cold War era or before, US policy toward Latin America and the Caribbean today focuses much less on geopolitics and national security and also much less on ideological alignment. The bipolar Cold War competition provided a broad region-wide conceptual framework for defining policy priorities, but contemporary US concerns arise more frequently from concrete issues that are usually presented in specific national or subregional contexts and often pushed onto the agenda by US interest and pressure groups. US policymaking regarding Latin America today tends to reflect decisions and actions taken in other arenas, regardless of their impact on Latin America; to focus on practical issues of trade, finance, investment, intellectual property, migration, border management, narcotics control and responding to disasters or infectious diseases; or to engage Latin Americans in framing responses to broad global issues such as climate change, food security or global governance.

DISAGGREGATING US-LATIN AMERICAN RELATIONS

For many decades, the tendency of US policymaking has been to frame broad region-wide politics, projecting concerns and experiences with one subregion onto the continent as a whole. The Alliance for Progress projected concerns and experience from the Caribbean Basin onto Latin America. The Nixon-Kissinger Latin America policies were largely based on concerns about Brazil and Chile. President Reagan's approach to Latin America was shaped by its focus on Central America. The US tendency to develop region-wide policies was reinforced in the 1990s when administrations of both parties thought that the paths of diverse Latin American and Caribbean countries were converging. With Chile showing the way, all (except Cuba) were thought to be moving toward free markets, democratic governance, sound macroeconomic policies and regional economic integration.

In fact, however, the countries of Latin America and the Caribbean have been moving in very different directions, and therefore pose very distinct challenges for US policy. These diverging paths reflect important structural variations among the countries of Latin America and the Caribbean, including their levels of their demographic and interdependence with the United States; the degree and nature of their openness to international economic competition; the strength of key aspects of governance, such as checks and balances, accountability and the rule of law; the relative capacity of the state and of institutions beyond the state, such as political parties, the media, religious organizations and trade unions; and the degree to which they face a challenge of incorporating larger historically excluded populations, especially indigenous peoples and Afro-Latin Americans.

Several distinct patterns of US-Latin American relations stand out today: that with the closest neighbors of the United States in Mexico, Central America and the Caribbean; with Brazil, the region's largest and most powerful country, rapidly emerging as a world power; with the countries of the Southern Cone; and with the "Bolivarian Alternative" nations, mainly in the Andean region, which differ among themselves but are all marked by gross inequities, dire poverty, and social and ethnic polarization.

The society and economy of the United States have become much more closely intertwined with Mexico and the countries of Central America and the Caribbean, primarily as a result of massive migration to the United States and of growing functional economic integration, particularly of labor markets. Large Mexican, Central American and Caribbean diasporas, together with the integration of production in all these countries into the manufacturing processes of US-based firms, have irreversibly changed the nature of the ties between the United States and its closest neighbors. These ties have been strongly reinforced, in turn, by an historic transformation of attitudes and assumptions, especially in Mexico, but also in several Central American and Caribbean nations about the nature and future of relations with the United States. What was unthinkable before 1990, conscious national policies to induce greater integration and cooperation with the United States, is now widely accepted in Mexico and elsewhere in the Caribbean Basin as necessary, if not inevitable.

The frontier between the United States and its closest neighbors is porous. People, goods, money, small arms, narcotics and ideas flow easily back and forth across formal boundaries. Sixty percent of Mexicans have relatives in the United States, and one fifth of Mexico's work force is compiled north of the border. Remittances from its diaspora amounted to more than \$25 billion in 2008, almost as much as direct foreign investment; in most of Central America, Haiti and the Dominican Republic, immigrants' remittances exceed foreign investment and foreign economic assistance combined. Campaign contributions and votes from the diaspora are crucially important in home country politics, while the votes of naturalized immigrants play an increasing role in US elections. Juvenile gangs and criminal leaders socialized on US streets and in US jails are wreaking havoc in their countries of origin, in many cases after being deported from the United States, while Latino gangs affect life in Los Angeles, Phoenix, Chicago and New York. Changing US immigration laws and more stringent border enforcement procedures may reduce the rate of entry by unauthorized migrants but are unlikely to change the causes, sources or magnitude of overall migration flows.

During the past fifty years and especially since the 1980s, Mexico and the Caribbean and Central American nations have become ever more fully absorbed into the US orbit, both because of underlying demographic and economic trends and because of such policies as NAFTA and the Dominican Republic-Central America Free Trade Agreement (DR/CAFTA). They use the dollar as their informal and in some cases their official currencies; send almost all their exports to the United States; rely overwhelmingly on US tourists, investment, imports and technology;

absorb US popular culture and fashions but also influence popular culture on the mainland; and many develop baseball players for the North American major leagues. They deal with criminal networks that operate both in the United States and in the region. They send doctors, dentists and nurses, not to mention cosmetologists and hair dressers, to practice in the United States, and they provide medical and dental services to “medical tourists” from the United States. Mexico, Central America and the countries of the Caribbean send many migrants northward, and are accepting many retired North Americans as long-term residents. Transnational citizens and networks are growing in importance throughout the region. All of these regional trends will almost certainly affect Cuba in time; indeed on many of these dimensions Cuba is already more engaged with the United States than is yet recognized or acknowledged in either country.

The issues that flow directly from the unique and growing mutual interpenetration between the United States and its closest neighbors—human, drug and arms trafficking, immigration, protecting the environment and public health, responding to natural disasters, law enforcement and border management—pose particularly complex challenges for policy. These “intermestic” issues are very difficult to handle because the democratic political process, both in the United States and in its neighboring countries, pushes policies on both sides in directions that are often diametrically opposed to what would be needed to secure the international cooperation required to manage difficult problems that transcend borders. The impulses to place responsibility for tough problems on the other side of the border, and to assert “sovereignty” even when national control is palpably lacking and indeed impossible in practical terms, are reciprocal and interactive. Greater interdependence does not guarantee closer cooperation, but if not well managed may instead engender more intense conflict.

The United States can no longer deal with the countries in its border region on the basis of intermittent engagement, mainly ignoring them most of the time but intervening forcefully when Washington believes its security is at stake. Some within the US policy community and some in Mexico, Central America and the Caribbean are beginning to understand the need to develop new concepts, attitudes, policies, modes of governance, norms and institutions to channel these complex and unique relations. This imperative will profoundly affect US-Latin American relations in the years to come.

Brazil is perceived in US foreign policymaking circles an increasingly successful and influential country with a population of more than 190 million and the world’s eighth largest economy. It has largely opened itself to international competition, modernized its vast agricultural sector, developed industries with continental and even worldwide markets and expanded the global competitiveness of its engineering, financial and other services. Brazil has also slowly but steadily strengthened both its state and its nongovernmental institutions. It has achieved a high degree of *previsibilidade*, i.e. stability of expectations about the rules of the game and about the established processes by which these rules can be altered. And it has forged an increasingly firm centrist consensus on the broad outlines of macroeconomic and social policies, including the urgent need to reduce gross inequities and alleviate extreme poverty, to continue to expand its large, expanding and influential middle class, and to improve the quality of education and access to it at all levels.

Brazil plays a growing role in international negotiations on trade, climate change, the environment, public health, food security and intellectual property. It is an active leader of the Global South and works closely with China, India and South Africa on several issues. It is also one of the influential and fast growing BRIC (Brazil, Russia, India and China) nations, the darlings of international investors and geopolitical analysts. Brazil is developing its ties with many other countries around the world, including Iran, and it is ever more active in the United Nations, the G-20, the G-8, the G-5 and other multilateral fora.

Brazil and the United States have recently had some notable differences, including disagreement over the 2010 Iran sanctions issue. They have had conflicting perspectives on how to handle the Honduran imbroglio, as Brasilia saw Washington's willingness to accept as legitimate the results of the elections conducted by the de facto Micheletti regime as tantamount to condoning a military coup. Brazil also raised questions about the US-Colombia military base agreement, although by 2010 it had resolved these differences sufficiently to reach a new mutual security agreement with the United States, for the first time in decades. And the two countries have clashed on a variety of economic issues, from intellectual property and pharmaceuticals to US subsidies for cotton growers and ethanol producers.

Differences are natural between large countries with diverse and complex interests, in which foreign policy on both sides is inevitably affected by conflicting domestic political imperatives and by mundane economic disputes. It is also understandable that these differences are sometimes magnified by presumptions or resentments that reflect antiquated mindsets. The fundamental challenge for US-Brazil relations at this stage, despite differences and history, is to build greater synergy on major global issues: strengthening regimes for trade, finance and investment; developing and implementing measures to cope with climate change; preventing and responding to pandemics; curbing nuclear proliferation; and reforming international governance arrangements. On all these questions, both Brazil and the United States have a lot at stake. Their interests are not identical but they are potentially compatible. The task of diplomacy is to smooth needless friction and focus sharply on how to strengthen cooperative efforts between the two countries while minimizing, mitigating and managing conflicts. It is increasingly recognized in Washington that this should be a strategic priority for US foreign policy in the coming years.

The countries of the Southern Cone are neither as connected to nor as integrated with the United States as its closest neighbors, nor are they as large, powerful and globally connected as Brazil.

Chile is the Latin American nation most fully engaged in the world economy, with the strongest institutions, and the most entrenched democratic norms and practices. It has achieved broad consensus on many key public policies, undergirding a high degree of predictability that attracts investment, national and foreign, liberates energies of all sorts, and facilitates strategic planning, both by government and the private sector. Having overcome the deep polarization of the Allende and Pinochet years, Chile has now managed several successful political transitions, including the accession in 2010 of the first president drawn from the outside the Concertación that displaced Pinochet from power in 1989. Chile sends less than a fourth of its exports to the United States, and sends out few migrants, to the United States or elsewhere. Several internationally competitive Chilean corporations operate throughout Latin America and in Asia, the United States and Europe. Chile's international influence, based on its "soft power" and concerted policies is greater than its size, military prowess or economic strength alone would command. It presents to the United States issues and opportunities comparable to those from long-time European allies, grounded upon broadly shared interests. Uruguay, a much smaller country but also one with strong political institutions, relates to the United States in similar ways.

Argentina, by contrast, has had great difficulty over the years in building consensus, fortifying institutions, opening up its full economy to international competition and achieving the stability of expectations and clear rules of the game that are so important to overcome short-termedness (*cortoplacismo*) and facilitate economic development and consistent international engagement. Argentina has been active in international affairs for many years, first as a limited antagonist of the United States, then as a would-be close collaborator of the Reagan administration; then recovering its distance for some years; then switching once more to close voluntary alignment

with Washington; and more recently returning to relative distance without undertaking consistent opposition. These fluctuations have much more to do with the rhythms of Argentine politics than with international causes or US policies; their net effect on the United States has been to diminish Argentina's stature to a level commensurate with its geographic distance and expected reliability. The best analogy in the international relations of the United States is with a mid-size European country that is often critical of Washington but has little international leverage.

The countries of the Andean ridge—Venezuela, Colombia, Ecuador, Peru and Bolivia—account together for about 22% of the total population of Latin America, just 13% of the region's GDP, less than 10% of US investment, less than 15% of legal US-Latin American trade (with most of that accounted for by oil from Venezuela), but nearly all the cocaine and heroin imported to the United States. All the Andean countries, to differing but high degrees are plagued by severe problems of governance, deeply challenged political institutions, and the need to integrate large numbers of historically excluded citizens, living in poverty or extreme poverty, in many cases from indigenous backgrounds. In these countries, the Washington-supported mantra that free markets and democratic politics naturally strengthen and support each other in a powerful virtuous circle has not applied. Extreme poverty, gross inequities, massive exclusion, rising ethnic and class consciousness, market economies and electoral politics are a volatile combination, and they have produced different and unstable outcomes in the various Andean nations.

- Colombia has struggled with deeply-entrenched narcotics syndicates, long-time guerrilla movements and para-military vigilante groups, all of which challenge the national government's effective sovereignty. National political and business elites have supported strong military efforts, backed by the United States, to reassert state authority, with mixed but on the whole positive results over time.
- Under charismatic strongman Hugo Chavez, Venezuela has moved in a different direction. Chavez bases his political appeal, internally and internationally, in large part on confrontational opposition to capitalist globalization and to the role of the United States. He has succeeded at mobilizing strong support from the previously disenfranchised, but has alienated most of his country's professional, business and technocratic sectors, and faces increasing difficulties in managing the economy, curbing crime, and preserving support.
- Bolivia has experienced the historic emergence of its previously excluded, mainly indigenous, highland population, which strongly supports the presidency of Evo Morales, but at the cost of major regional divisions and considerable uncertainty about how to connect the new political model to economic realities.
- Ecuador, with extremely weak political parties and deeply discredited political institutions and elites, has turned to new leadership under leftist technocrat Rafael Correa, who appears to want to square the circle, criticizing global capitalism but simultaneously seeking its advantages.
- Peru has for some years faced powerful anti-system challenges by "outsider" political leaders, popular especially in the country's economically stressed southern and eastern regions, but it has used foreign investment and international economic integration to produce enough growth to blunt their appeal, at least so far.

US relations with all five Andean countries have been problematic, although they have become mostly positive with Colombia and Peru in recent years. The challenge for US policy has been to deal with each of the Andean nations on its own terms, in order to avoid confrontations that would facilitate their becoming an antagonistic bloc. Watchful waiting, more than close

engagement, is the pattern of US policy toward and relations with Venezuela and its ALBA associates, in the Andean region and elsewhere.

The United States is and will remain an important interlocutor for the countries of Latin America and the Caribbean so as long as it remains the world's largest economy, its mightiest military power, the single most influential participant in multinational and international institutions, the new home of so many Latin American emigrants, and the source of so much "soft power." The countries of Latin America and the Caribbean, meanwhile, will continue to be of considerable interest to the United States to the extent that they provide significant markets, important arenas for private investment, and prime sources of materials and labor; that they send labor and retain ties with growing demographic and politically participating sectors in the United States; that they represent testing grounds for democratic governance and market economies; and that they are active participants in the international community, able to affect issues from climate change to pandemics and nuclear proliferation.

Inter-American relations will continue to be shaped by global challenges and opportunities, by regional and subregional developments, and by domestic pressures and demands, both in the United States and in the diverse countries of Latin America—much more than by Hemisphere-wide grand designs, academic categories, or easy rhetoric. U.S.-Latin American relations are complex and multi-faceted, not easily captured in broad phrases or simple paradigms. Neither an overarching partnership nor deep and general hostility characterizes inter-American relations today, nor is either extreme likely to prevail in the foreseeable future. U.S.-Latin American relations are much more varied and contradictory than they used to be. The day-to-day mutual importance of many countries in Latin America to the United States, and vice versa, has increased, while the official presence and leverage of the U.S. government in most countries of the Americas has significantly declined. This paradox will structure U.S.-Latin American relations in the years ahead.

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