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What Latin America can Expect from the Next US President

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Theme: What can Latin America expect from the next US President, and what can the next US President expect from Latin America?

Summary: With the global financial markets in turmoil and Americans increasingly anxious about their economic futures, it is not surprising that foreign policy issues –even the Iraq war and international terrorism– have more and more become a sideshow in the race for the US presidency. Earlier in the year, taking advantage of Cuban Independence Day, both Obama and McCain offered major speeches on Latin America to audiences in Miami and John McCain took the time to travel to Colombia and Mexico. The region then virtually disappeared from the two campaigns for several months. It was only in the most recent debate on 15 October that the candidates discussed a number of key issues in US-Latin American relations –including NAFTA, the signed but un-ratified US-Colombian trade agreement, and the danger of relying on oil imported from Venezuela–.

Analysis:

Higher Priorities

The limited attention focused on Latin America in the presidential campaign is good evidence that the region is not likely to get much priority from the next Administration, no matter who is elected. It is not viewed as a security threat. Aside from Colombia's long-running conflict, Latin America is a region at peace, largely free of terrorist activity and armed combat within or between countries. Nor is Latin America expected to offer the oversized economic opportunities of rapidly growing China and India. Although there is considerable chatter in Washington about the need for greater engagement with the region, no one –either in the US or Latin America– is calling for any major new US hemispheric initiatives. Latin American governments increasingly prefer to deal with their own regional problems, while surveys reflect the intense anti-globalist mood of the American voters, who are mostly concerned about their woes at home.

And that may not be so bad. After all, Washington can best serve Latin America's interests if it succeeds in reviving the US economy –which is clearly America's number one domestic priority–. What the region most needs from the US is an expanding market for Latin American exports and a reliable source of loans, investments, and remittances. A strong, vibrant, and open US economy will also help buttress the global economy, which will benefit Latin America as well. Another key concern for the next President will be to

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clean up the foreign-policy morass inherited from Bush and restore US credibility worldwide. This, too, would be welcome in Latin America, where widespread anti-US sentiment was provoked by Washington's international policies, including its aggressive unilateralism, reflexive resort to military force and the use of torture.

Barack Obama brings a clear advantage to the task of giving new direction and spirit to US foreign policy. He is the preferred candidate, by large margins, in almost every country of the world. He is also the outsider. He opposed the war in Iraq from the beginning and has consistently expressed his commitment to dialogue, negotiation and multilateralism. In contrast, McCain is identified, although sometimes unfairly, with the current White House approaches. He has spoken out forcefully against torture and other Bush policies, but he remains an enthusiastic supporter of the Iraq war, and has consistently urged military options to deal with such challenges as the Russian intervention in Georgia, Chinese threats to Taiwan and the risk of Iran becoming a nuclear power. He appears instinctively to turn to force rather than negotiations in critical situations.

It is premature to predict where the world financial crisis is headed. Its causes are poorly understood and its full consequences unknown. No one is yet certain about what the right remedies are. Still, Obama might also have the advantage over McCain in addressing the problems and repairing the damage. It is clear that any solution will require a cooperative international response and Obama, almost everywhere, will be the more welcome partner. It is true that the Democrats are far more adverse than Republicans to globalisation and free trade, but the Democrats are also less wedded to rigid free-market ideology. They will be more comfortable with extensive government involvement in the economy, a position that will facilitate collaboration on financial matters with Europe and the rest of the world –if Obama is ready to resist the pressure of his party to look inwards–.

Beyond financial matters, the two areas of US policy that are of greatest concern to Latin America today are immigration and trade. These are the most important items on the Bush Administration's unfinished agenda for the region. Interestingly, they have also become two critical items on Europe's agenda with Latin America. Unfortunately, the current anti-globalist sentiments of the American public will make progress extremely difficult on either front, regardless of who wins November's election.

Immigration
Latin American governments applauded the comprehensive immigration reform promoted by Bush –which included an expanded number of temporary visas for workers, a path to citizenship for the 12 million migrants who are in the US illegally, and tougher enforcement of US immigration laws–. Both candidates endorsed that reform initiative. But McCain (who, with Ted Kennedy, introduced the necessary legislation in the Senate) has since retreated from his pro-reform position, which was widely unpopular among by Republicans, and says he would now vote against his own legislation. Obama continues to support the reforms, which explains, at least in part, why he is favoured by two out of three Hispanic voters. An Obama win with this huge margin of Latino support would create considerable pressure for his Administration to support new immigration legislation –but it would, nonetheless, be an uphill political battle–. The palpable anti-immigrant mood in the US (and Europe) has surely been made worse by the recent economic setbacks.

Trade
When a new US President takes office in January, the most pressing item on the trade agenda will be whether and when the US free trade agreements with Colombia and

Panama will be sent to Congress for ratification. The Colombian agreement is the more difficult. It was first signed by the two countries in 2006 and has been approved twice by the Colombian legislature. It is opposed by a great majority of Democrats, who have so far refused to allow a vote in Congress. Obama, a critic of most free-trade deals, made clear in his debate with McCain that he would vote against the Colombia accord in its present form, primarily because of continued labour violence in the country. An unabashed supporter of free trade, McCain, in contrast, supports its quick ratification.

Next year, regardless of who wins the presidency, Democrats will expand their majority in Congress. This means that the agreement will not be ratified, probably not even voted on, without changes in the text as well as new Colombian commitments to improve the country's human rights situation. .With those changes and commitments, however, it is likely (although by no means certain) that either Obama or McCain will find a way to secure ratification of both the Colombia and Panama agreements. It is hard to imagine how the US could deny free-trade status to a critical ally like Colombia, while approving it for so many other countries.

Broader trade questions for the next President will focus on how to proceed with the nearly exhausted Doha Round of multilateral trade negotiations and what, if anything, can be done to revive the moribund hemisphere-wide trade pact. McCain is clearly the stronger advocate on both fronts. He has taken unpopular stands that would advance the two negotiations, such as opposing most agricultural subsidies and calling for an end to import tariffs on Brazilian ethanol. Obama has not made his position on key trade issues clear. His problem is how to bridge the gap between his rather orthodox economic views and the distaste that most of his Democratic and labour supporters now have for new trade initiatives. He has called for a revision of NAFTA, but few believe that he will initiate any serious effort to substantially change this 15-year-old agreement. He endorses expanded trade in principle but is vague about what he is prepared to do in practice. Obama and McCain, interestingly, agree on the need for more generous assistance programmes for workers who lose their jobs because of trade. More than anything else, this trade-adjustment aid is essential to any effort to build bipartisan support for new trade deals, and may be the where the next Administration should begin to define its trade policy.

The Bilateral Challenges

Bilateral relations will present the next President with some of his most complicated challenges. Mexico, the US's most important relationship in Latin America, is going through a troubled period where its security and political stability may be at risk from organised criminal violence and its economy is threatened by the global financial disruptions. Potentially even greater risks confront the majority of small nations in Central America and the Caribbean. Washington now has major geopolitical competitors. Brazil has emerged as an influential regional and increasingly global leader, while Venezuela has become a belligerent and potentially dangerous adversary for the US. Cuba may be on the verge of changing in unpredictable ways and Haiti remains close to becoming a failed state.

Venezuela

The most visible and extensively discussed challenge comes from Venezuela and its circle of supporters. President Hugo Chavez has succeeded in centralising power to such a degree that Venezuela can hardly be called a democracy any longer. Region wide, he is disrupting inter-American relations, fuelling internal conflicts in several Andean countries,

providing access to Latin America for US adversaries like Iran and Russia, and keeping the US and many Latin American countries off-balance. Although his anti-US alliance currently incorporates only four or five of the weakest and most unstable countries in the hemisphere, many other countries are looking to Venezuela as a source of needed financial support.

Obama and McCain have very different policy prescriptions for dealing with Venezuela. McCain's discourse on Latin America is reminiscent of Cold War rhetoric. He considers Latin America a region of adversaries and allies –and sees Washington's primary task as mobilising and assisting the former to confront the latter, led by Venezuela–. This was also the initial policy instinct of Bush, which failed because it ignored Latin America's growing complexity and independence. It disregarded the fact that most countries in the region, including our best allies, not only want to avoid confronting aggressive, oil-rich Venezuela. They also want to maintain good economic and political relations with the country.

Obama appears more inclined to follow the more recent approach of the Bush White House, which severely moderated its responses to the antics and threats of Chavez, and stopped pressing other countries to restrict relations with or oppose Venezuela. Obama has also said that, under the right circumstances, he would be ready for a dialogue with Chavez. But the next Administration may have to do more to offset or blunt Venezuela's influence –for instance by offering more Latin American countries assistance in addressing their most serious problems, including still high energy and food costs, growing internal security concerns, and the damages that emerge from the financial meltdown–. But this will require resources and political commitment, both of which will be in short supply no matter who is elected.

Mexico

Chavez and Venezuela may be Washington's most conspicuous challenge, but its most dangerous could be an increasingly distressed Mexico –which today faces mounting threats to its internal security and even stability from criminal violence and drug trafficking–. Moreover, the Mexican economy, because it is so tightly connected to the US economy, is at risk of a sharp reversal and possibly prolonged recession, which would be compounded by the political gridlock which, for example, currently prevents the country from taking necessary measures to halt the decline of its oil production.

These are not problems that the US, regardless of who is the next President, will be able do much about. They mostly have to be addressed and resolved by Mexico. In 1995, during an earlier Mexican economic crisis, the US supported a major share of a US$50 billion rescue package; given the US's own needs that is virtually out of the question now. US funding through the Mérida Plan can offer some help to Mexico to confront problems associated with organised crime and illicit drugs, but most of the resources and political resolve will have to come from Mexico. For sure, the US could do far more to curb the sale of US arms to Mexican criminals and spend more on reducing demand for illicit drugs. But again, the single most important thing the US can do for Mexico (and the rest of Latin America) is to get its economy and finances in order.

The Mexican authorities are not particularly enthused by either candidate. McCain's image has been severely tarnished by his turnabout on immigration reform and his vocal support of tough enforcement of immigration laws, including the construction of the notorious wall on the US-Mexican border. For his part, Obama's virulent criticism of the

Nafta free-trade agreement and his call for its renegotiation sounds at times disparaging of Mexico.

Central America and the Caribbean
Even more at risk than Mexico are the 23 small countries of Central America and the Caribbean –with a total population of some 70 million people–. Although vastly different on many dimensions, they all are heavily dependent economically on the US for exports, tourism, investment and remittances. Like Mexico, many of them are suffering record levels of criminal violence and expanding drug trafficking and abuse. Some governments, particularly of the smallest countries, appear to be increasingly infiltrated by criminals. And the bulk of the countries import most of their food and energy –with prices still far above what they were a year ago–. This all adds up to a potential crisis in the region as a whole, affecting a good share of the countries. The best evidence of the danger is the large number of countries that have already turned to Venezuela for assistance. Neither candidate has even acknowledged the problems of the region, which is often referred to as the third border of the US.

Haiti
Nor has either candidate said much about the special case of Haiti, the hemisphere's one failed or nearly failed state. Without UN troops, Haiti cannot maintain order and security on its own, its government barely functions and the economy, despite recent growth, is in deep distress. With two recent, devastating hurricanes, high food prices (which provoked massive riots and the ouster of the Prime Minister) and the US recession, Haiti's economy will likely further unravel and its population of some 8 million people become more desperate. No US Administration in memory had done much for Haiti, and the next President will face the problem with fewer resources and greater demands. One simple, initiative proposed by the Haitian government would be for Washington to stop deporting Haitian migrants regardless of their legal status (which it has done in the past for Salvadorean and Guatemalan refugees). Neither candidate has voiced a position on this.

Cuba
One policy shift that would be applauded throughout Latin America would be a genuine US opening toward Cuba. There is no issue that carries more symbolic weight or on which Washington is farther out of step with Latin America. Nearly every government in the region maintains normal relations with Havana, no government (not even Washington) considers Cuba a threat and all of them believe the current US approach is an obstacle –not an incentive– to democratic advance and economic reform in Cuba. Still, no matter who is President, a dramatic reversal on Cuba is probably not in the cards. The powerful Cuban-American community will retain its influence on Cuba policy and oppose all but modest changes. The US Congress has been dominated by Democrats for the past two years but has not offered a single legislative initiative on Cuba. McCain remains a staunch supporter of the US embargo on Cuba and other associated restrictions (despite his former advocacy of normalising relations with Viet Nam). Obama may be more open to change, but he has been cautious –proposing only a very modest initiative that would allow Cuban-Americans more visits to the island and lift caps on remittances (two measures, incidentally, that most Cuban-Americans seem to favour)–. The Democratic candidate has also indicated a willingness to meet face-to-face with the Cuban President Raul Castro, although under conditions that Havana would likely reject. US policy, however, is likely to evolve only gradually and changes will require Cuban-American support and reciprocal actions by the Havana government.

Brazil
Both Obama and McCain acknowledge the growing importance of Brazil in regional and global affairs, and each suggests, albeit in rather vague fashion, the need for closer cooperation, even partnership, with the country. Clearly, in the Western Hemisphere, Brazil carries more weight than any other country outside the US –and in several recent instances has been more influential than Washington because it is viewed having a more balanced, even-handed approach–. Inter-American relations often pivot around the two countries; when they agree, almost everyone else joins them; when they disagree, hemispheric cooperation is stymied. And it is also true that Brazil could be a valuable partner on a wide range of international issues, including global trade negotiations, nuclear non-proliferation, environmental protection, reform of international institutions, expanded food and energy production and race relations. But Washington and Brasilia are not always natural partners. Brazil could become a troublesome adversary on several of the above issues.

Sustaining a constructive relationship with Brazil will require the US to accept Brazil's independent foreign policy and to accommodate the differences in interest and perspective between the two countries. The Bush Administration managed this quite well, to the extent that senior Brazilian officials claim that US-Brazilian ties are the best they have ever been. By temperament, Obama seems better able than McCain to accept the ambiguity and tolerance that good relations with Brazil require, but this will not be an easy task for the next US Administration.

Conclusions: Both Obama and McCain recognise that US relations with Latin America have badly deteriorated in recent years. Both candidates –along with almost everyone else in Washington– have called for 'renewed US leadership' and 'increased engagement' in the region. But neither candidate is likely to make major changes in policy. The US has become an increasingly insecure nation and might become more inward looking than at any time in recent memory. And Latin America is unlikely to rank very high among US foreign policy priorities. Washington's attention and resources will probably be focused on other regions and other issues.

And, sadly, that may not matter much to Latin America any more. Most Latin American countries are no longer looking to the US for leadership or across-the-board engagement. On some issues, most of the region's governments would like the US to reduce its engagement. They believe they can manage on their own. Brazil and other Latin American countries ably responded to two recent conflicts in region –the domestic clash in Bolivia and the flare up several months ago between Ecuador, Colombia and Venezuela–. There are few Latin American governments seeking greater US involvement on such issues as democracy promotion or even social development; these are challenges they feel they know how to deal with, without US help. Still, there are areas where many countries would welcome greater engagement –cooperation on trade and economic matters (despite the US financial debacle), for example, or in efforts to battle criminal organisations–. The next Administration in Washington will do best if it is selective in how, where and on what issues it engages in Latin America. To accommodate changes in the region, in the US and across the world, the new President will need a more restrained and considered approach to its policies in Latin America and the Caribbean.

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