The Obama Administration and Latin America: Will the Promising Start Be Sustained?

ABRAHAM F. LOWENTHAL

Despite facing a complex agenda, which includes a profound economic crisis, two wars and problems in the Middle East, Obama’s government has decided to pay more attention to Latin America: its contacts with the region’s leaders, modifications of some policies (especially towards Cuba) and the participation in the most recent Summit of the Americas, all illustrate the point. The stance of the new government is based on the decision to avoid bombastic declarations and concentrate on a few particular themes, explore its relations country by country taking into account the different national specificities and abandon the obsession with the «fight against terrorism» emphasizing themes like migration, drug-trafficking and energy. The prospects of maintaining and developing this strategy will depend on Obama’s capacity to confront the economic crisis, on the international environment and on the complex play between interest groups in Washington.

Abraham F. Lowenthal: professor of international relations at the University of Southern California, a nonresident senior fellow of the Brookings Institution, president emeritus of the Pacific Council on International Policy, and the founding director of the Inter-American Dialogue.

Key Words: Barack Obama, United States, Latin America.

The new U.S. administration led by President Barack Obama entered office with the most daunting agenda that any U.S. government has faced in many decades: deep and worsening economic recession, a near-collapse of the country’s financial institutions, and countless accumulated problems at home, together with two wars,
dangerous confrontations with North Korea and Iran, strained relations with Russia, Pakistan’s near implosion, the festering Israel-Palestine impasse and many other difficult challenges abroad.

In these trying circumstances, few observers predicted that the Obama administration would devote much attention to Latin America and the Caribbean. None of the region’s countries presents an imminent threat to U.S. national security or anything remotely comparable to the potential security concerns represented by Iran, Pakistan, Afghanistan or North Korea. None is likely to be the source or target of significant international terrorism. As a presidential candidate, Mr. Obama had said little about Latin America, confining himself to one dedicated speech on the region (to a Cuban-American organization in Miami), a proposal to appoint a special ambassador for Latin America, and suggestions during the «Rust Belt» primary campaigns that the North American Free Trade Agreement needed to be renegotiated as well as vague statements withholding support from the negotiated Colombia and Panama Free Trade Agreements that are pending US ratification.

Yet during its first months in office the Obama administration has in fact taken an active interest in Latin America and the Caribbean. As President-elect, Mr. Obama met with only one foreign leader: Felipe Calderón of Mexico. His first Camp David foreign visitor was Brazil’s President Luiz Inácio (Lula) da Silva. Secretary of State Hillary Rodham Clinton’s first meeting with a foreign head of state was with Haiti’s Prime Minister René Prevál. Vice President Joseph Biden visited both Chile and Costa Rica in March. Secretary Clinton, Joint Chiefs Chairman Michael Mullen, Attorney General Eric Holder and Homeland Security Secretary Janet Napolitano all went to Mexico during the new administration’s first three months, ahead of a trip to Mexico by President Obama himself, and all these showed that they were receptive to Mexican perspectives and concerns. The new administration announced initiatives on Cuba early in April, removing previous restrictions on travel and remittances to the island by Cuban-Americans and opening up the possibility of investment in improving communications with the island. The President himself called for a «new era» in US-Cuban relations and the State Department soon followed up with exploratory conversations with Cuban officials to discuss the prospects for improving relations, and subsequently the resumption of long-suspended consultations on migration issues. Although no concrete actions have yet been taken to approve the FTAs with Colombia and Panama, Obama administration officials have backed away from the earlier negative posture and indicated that approval is likely within the
coming months. And, most visibly, President Obama participated effectively in the Fifth Summit of the Americas in mid-April, winning praise throughout Latin America and the Caribbean for his adroit role there.

Why did the new U.S. administration take such a strong initial interest in Latin America and the Caribbean? What are the most important sources of the new US approaches? Will the US policy initiatives take shape, be implemented and endure? Or will the attractive declaratory phase of policy-making be succeeded in practice by a reversion to prior approaches?

Why Latin America Matters to the United States

Apart from the scheduling coincidence that the Fifth Summit of the Americas was already on the calendar, the main reason for the Obama administration’s early engagement with Latin America is the new team’s perception that although the countries of Latin America and the Caribbean pose no urgent issues for the United States, many of them are likely to be increasingly important to its future.

This is so not because of long-standing axioms about Western Hemisphere security, extra-hemispheric threats and Pan-American solidarity, but rather for four much more contemporary reasons.

First, the increased perceived significance of Latin America for confronting such transnational issues as energy security, global warming, pollution and other environmental concerns, crime, narcotics and public health. The new administration recognizes that these issues cannot be solved or even managed effectively without close and sustained cooperation from many countries of the Americas.

Second, the blurring of the borders between the United States and some of its closest neighbors –especially in Mexico, Central America and the Caribbean– mainly because of massive and sustained migration and growing economic integration. This demographic and economic interdependence has given rise to complex issues with both international and domestic facets—so-called «intermestic» questions—ranging from bilingual education to health care, immigrants’ remittances to driver’s licenses, youth gangs to portable retirement pensions, and narcotics trafficking to human and arms trafficking. The Obama administration knows that it cannot ignore these issues because they have high priority for the U.S. public.
Third, Latin America’s economic salience to the United States as a prime source of energy and other key resources and as a major market for U.S. goods and services. The United States obtains nearly half of its energy imports from countries of the Western Hemisphere, more than half of that from Latin American and Caribbean suppliers, and the potential for expanded energy production in the Americas, from both renewable and non-renewable sources, is high. And U.S. firms exported goods and services to Latin America valued at $273 billion in 2008, 20% of all U.S. exports and four times the value of U.S. exports to China. U.S. firms still have, but need to sustain, their competitive advantage in Latin American markets, arising from proximity and familiarity plus cultural and demographic ties. This imperative is all the more urgent in a period of economic downturn.

Fourth, shared values in the Western Hemisphere, especially commitment to fundamental human rights, including free political expression, effective democratic governance, and consistent application of the rule of law. At a time when the very difficult experiences in Afghanistan, Iraq and elsewhere have discouraged many in the United States about the prospects of expanding the international influence of U.S. ideals, the new administration recognizes that the shared commitment throughout the Americas to the norms of democratic governance and the rule of law is worth reinforcing. The Western Hemisphere remains a largely congenial neighborhood for the United States in an unattractive broader international environment.

The Troubled State of Inter-American Relations

The Obama administration understands that despite Latin America’s growing quotidian significance for the United States, U.S. policies toward the region in recent years have often been ineffective. Since the September 11, 2001 attacks, Washington has mainly viewed Latin America through the prism of international terrorism, mirroring a similar tendency during the Cold War to focus on anti-Communism in the Americas, rather than on the issues Latin Americans generally considered most important.

The administrations of both Bill Clinton and George W. Bush emphasized Western Hemisphere summits as a means of showing attention to Latin America, but these meetings typically produced little beyond photo opportunities and easy rhetoric. Both administrations continued to emphasize a proposed Free Trade Area of the Americas (FTAA) long after this goal had become infeasible. Instead of building better bridges
toward its closest neighbors, the United States began constructing a fence at the border with Mexico in 2006.

Whereas cooperation between the United States and the Western Hemisphere had been strengthening in the first post-Cold War years of the early 1990s, it waned in the late 1990s and in the first years of the new century. Perceived inattentiveness to Latin America on the part of the United States, along with some of Washington’s global policies during the Bush years, especially the invasion of Iraq, led to resentment in many Latin American countries. Hugo Chávez of Venezuela took advantage of this antipathy with his aggressive public and checkbook diplomacy: flamboyant anti-U.S. rhetoric plus generous offers of economic support to Latin America, including subsidized petroleum sales to Central American and Caribbean nations, other economic assistance to receptive neighbors, cooperating closely with Cuba to furnish medical and other social services, and promising to finance major energy infrastructure projects in South America.

Meanwhile, many Latin American and Caribbean countries have deepened processes of sub-regional integration, in part through formal institutions, but even more through trade, investment, Latin America-based multinational corporations, professional and business networks, and pragmatic cooperation. They have also been diversifying their international relationships beyond the Americas, building ties with the countries of the European Union (EU), members of the Asia Pacific Economic Cooperation (APEC) forum, and especially with China, India, Iran, and Russia. Many Latin American countries no longer look to Washington for leadership or for close cooperation.

The Organization of American States (OAS) has often been ineffectual, and the Inter-American Charter has not produced many meaningful results. Other hemisphere-wide institutions, including the Inter-American Development Bank, have weakened. As the international self-confidence and activity of many individual Latin American nations have increased, Western Hemisphere approaches to problem solving have waned. And as extra-hemispheric actors, especially China and to a lesser extent Russia, India and Iran, have become more active and visible in Latin America, US influence has been declining. This was the state of inter-American relations that Barack Obama faced on taking office.
Renewing Inter-American Cooperation: Key Principles

The Obama administration came to office at a time of broad international repudiation of US foreign policy, and with a mandate to reshape the US role in the world. This mainly involves changing US approaches toward Iraq, Iran and the Middle East, but also calls for adopting engaged and respectful attitudes toward other world regions. As the new administration turned to Latin American policy in this overall context, it posited that the emergence of a number of shared concerns in the Americas, strongly reinforced by the severe international economic crisis, would make inter-American approaches more attractive in much of the Hemisphere once again, and that clear signals of a strong U.S. interest in renewing cooperation in order to confront common challenges in the Americas could therefore yield immediate dividends. These premises undergird the various steps in Latin America policy that the new administration announced during its opening months.

In striving to renew inter-American cooperation, the Obama administration has been guided by three principles.

First, the administration seeks to gain the confidence of the U.S. public and of the international community as a whole in its commitment to slowing and then reversing the deterioration of the U.S. economy, and restoring it to growth. How well the new administration succeeds at this will be highly relevant to the countries of Latin America, especially to those in the northern tier –Mexico, Central America, and the Caribbean– that are so dependent on U.S. investment, remittances, tourism and trade. By the same token, these same closest neighbors are themselves germane to the new administration’s central economic challenge, for they provide substantial markets for the export of U.S. goods and services. Latin America’s capacity to respond effectively to the current economic downturn will thus affect the chances for a solid U.S. recovery. Stabilizing and shoring up the economies of Mexico, Central America and the Caribbean is particularly important in this context, both because of their direct commercial significance and because social and economic trends in these close neighbors will also affect the United States through migration, the narcotics trade, crime and violence.

Second, instead of offering soaring rhetoric about partnership from Alaska to Tierra del Fuego, the new administration prefers to work with Latin American and Caribbean nations on a few select issues that can be addressed soon, if only partially,
such as bolstering financial institutions, restoring credit and investment flows, and tackling the problems of energy, the environment, and citizen security. The administration aims to rebuild U.S. credibility that has been damaged after years of unfulfilled pledges, rather than risk creating new levels of unmet expectations. Instead of scrambling to counter Chávez and the «Bolivarian alternative» of anti-U.S. movements, the Obama administration wants to concentrate on confronting the underlying issues that have created space for Chávez’s inflammatory rhetoric and populist programs, and for other radical populist movements.

Third, the new U.S. authorities know that they must rigorously disaggregate Latin America and the Caribbean. During the past twenty years there has often been a tendency in Washington, under administrations of both parties, to emphasize convergence within the region: toward democratic governance, market-oriented economics, macroeconomic balance and regional integration. Although some of these convergent trends have indeed been important, if sometimes exaggerated, it is crucial to understand that key differences persist among the countries of Latin America and the Caribbean, and that some of these are growing.¹ The most important differences lie primarily along five dimensions:

- their degree of demographic and economic interdependence with the United States;
- the degree to which they have opened their economies to international competition;
- their different rates in achieving key aspects of effective democratic governance – such as checks and balances, accountability and the rule of law;
- the relative strength of civil and political institutions beyond the state, such as nongovernmental entities, the press, religious organizations and trade unions; and
- the degree to which they incorporate many traditionally excluded populations, including more than thirty million marginalized, disadvantaged, and increasingly politically mobilized indigenous people as well as Afro-Latin Americans, who still face severe racial discrimination in a number of countries.

Officials in the new administration understand that only when all these important structural differences and their political consequences are consistently understood can the countries of Latin America and the Caribbean come into clear focus for U.S.

¹ For a fuller discussion of these differences, with details on where the various countries fit along the dimensions mentioned here, see Abraham F. Lowenthal, «The Obama Administration and the Americas: A Promising Start,» The Washington Quarterly (July 2009), 32 #3, 321-338, especially 325-6.
policy. Hemisphere-wide summit conferences or very broad regional initiatives are much less likely to be effective, in this perspective, than sub-regional efforts that bring together smaller clusters of countries with comparable or complementary issues and concerns. Recognizing this fundamental reality is a starting point for the Obama administration’s reconsideration of U.S. policies in the Americas. The Obama administration is therefore less inclined toward pan-American summits and more focused on bilateral and subregional realities and on working groups of variable composition to confront specific issues.

### Changing Mindsets

In the Obama administration’s first hundred days, it began to reshape several important mindsets.

Among the changes perceptible in the Obama administration’s early approach to Latin America are:

- a turn from obsessive concern with military security and the so-called «war on terrorism» to a primary emphasis on broadly shared challenges involving economic growth, jobs, equity, citizen security, energy, migration, democratic governance and the rule of law;

  - a shift from the so-called «war on drugs» toward working together to reduce demand and mitigate harm, an attempt that starts with an honest acknowledgment of the role of the United States itself in fueling and facilitating the drug trade and the associated traffic in small arms and bulk cash;

  - clear recognition that some of the key issues that affect U.S.-Latin American relations—particularly immigration, narcotics, small arms trafficking, trade, and energy conservation and development—require new domestic U.S. initiatives more than action by Latin American and Caribbean nations;

  - explicit understanding that Latin America’s realities today do not call for smaller and weaker governments but for more efficient governments that concentrate on citizen security, education, infrastructure and other public goods that are not adequately provided by the unbridled market. The Obama team appreciates that
strong regulation and accountability are important requisites for effective market
economies, a recognition that applies both in the United States and abroad;

- and targeted emphasis on the special issues posed by relations with the closest
neighbors of the United States in Mexico and the Caribbean Basin; on the prospects
for strategic cooperation with Brazil on a number of key issues in the Hemisphere and
beyond; on case by case, patient and nuanced management of relations with the
diverse nations of the Andean ridge; and on a new approach to Cuba, turning away
from denial, embargo and exclusion toward restoring communications, building trust
and working toward cooperation on specific issues. On each of these four important
fronts, the Obama administration began quickly, with positive initiatives and effective
public diplomacy.

The Sources of Policy Change

It is never easy to be sure how and why U.S. foreign policy changes occur: how much
depends on the ideas that new leaders and their closest advisers bring to the task
from their previous experience and reflection; how much involves making more
explicit and emphatic shifts that had actually already taken place in a preceding
administration; how much evolves from opportunistic case by case response to (often
unavoidable) choices; how much is highly contingent or even serendipitous; and how
much derives from consensus by relevant advisors inside and outside the U.S.
government about what the new administration should do and why. No doubt each
of these factors, and perhaps others, has contributed to the Obama administration’s
auspicious early moves to reshape U.S. policies and the contours of U.S.-Latin
American relations. Given the new President’s personal unfamiliarity with Latin
America (a region he had never visited before taking office) and the absence in his
inner circle of key foreign policy advisers of anyone known for major interest in and
experience with Latin America, the second and the last of these sources are likely
especially apt: that is, continuity with policy changes already undertaken, with little
fanfare, in the previous administration, and, even more important, the high degree of
convergence among knowledgeable experts about how the new administration
should approach Latin America and U.S.-Latin American relations.

Although the Obama administration has done a stunning job of presenting its
approach to Latin America as fresh and innovative, many of its elements –particularly
the carefully nuanced and decidedly case by case treatment of the various populist
regimes (Venezuela, Bolivia, Ecuador, Nicaragua and potentially Paraguay, Honduras and El Salvador)—actually represent a continuation of the changes on U.S. policy that had been introduced during the second George W. Bush administration, largely under the influence of Secretary of State Condoleezza Rice and especially of Thomas Shannon, a career diplomat who became Assistant Secretary of State for Inter-American Affairs in October 2005. Shannon’s concepts, rhetoric and actions—in contrast to those under his political appointee predecessors in the first George W. Bush period—consistently emphasized disaggregation of Latin America, recognition of social and economic inequities as the root cause of many of the region’s problems, special and deferential attention to Brazil, and a clear preference for multilateral approaches. When the history of this period is written, the changes in U.S. policy toward Latin America introduced during the final years of the Bush presidency should receive the attention that was largely denied to them in the partisan atmosphere of that period.2

Equally important, the Obama administration’s initial steps regarding relations with Latin America and the Caribbean reflect the remarkably high degree of consensus among non-governmental experts, evident in a number of special reports on U.S.-Latin American relations published in 2007, 2008 and early 2009. A broad range of think tanks and advocacy organizations, from the Washington Office on Latin America on the left to the Heritage Foundation on the right, released reports and recommendations on U.S.-Latin American relations.3 Apart from minor differences of

---

2 Similar examples abound of underemphasized continuities between the policies of one U.S. administration and another toward Latin America. This was true in the transition from Dwight Eisenhower to John F. Kennedy’s Alliance for Progress, and from George H W Bush’s Enterprise of the Americas Initiative to the Miami Summit of the Americas approach by Bill Clinton, to cite two examples. Parallel continuities between the Obama administration’s policies and the shifts in policy undertaken in the final phase of the George W Bush administration are emphasized by Jack Goldsmith in The New Republic (May 18, 2009) and David Brooks in The New York Times (May 22, 2009).

emphasis, all the main reports offered similar analyses of the region and of the state of inter-American relations. Most recommended the same objectives for new U.S. approaches: greater emphasis on poverty and inequality, public security, energy and migration; new approaches to narcotics, gun traffic and immigration; increased cooperation with Brazil and intensified partnership with Mexico; restrained responses to Hugo Chavez; and more forthcoming initiatives toward Haiti and Cuba, more because of their broader international and symbolic/political significance than because of pressing bilateral concerns.

As has been the case in previous U.S. presidential transitions, the external analyses and recommendations probably influenced the new administration’s approach to a number of issues, especially because of the high degree of registered consensus and its congruence with what many career officials within the U.S. government, civilian and military, were advising.\(^4\) The influence of these external reports on Latin American policy was doubtless reinforced by their evident compatibility with a number of other contemporaneous think tank reports on other foreign policy issues ranging from climate change to immigration, narcotics to human rights, the Middle East and Iran to Europe and Asia. Many of these reports also recommended more multilateral policies; greater respect for international law, institutions and opinion; and fresh approaches to a number of issues, departing from the neoconservative ideology influential in recent years.\(^5\) In a sense, the Obama administration’s initial approach toward Latin America was «over-determine,» and thus should not have been surprising.

---


Looking Forward

Whether calling its approach to the countries of Latin America and the Caribbean an «Alliance for Progress,» a «New Dialogue,» a «Mature Partnership,» a «Caribbean Basin Initiative,» an «Enterprise for the Americas Initiative,» or a Free Trade Agreement for the Americas (FTAA), one new U.S. administration after another, almost without exception, has trumpeted a new policy for the Americas, often with considerable fanfare. Yet more often than not, indeed almost always, these new approaches have come to naught, or at most to small change. A repetitive cycle sets in, with incoming policymakers closely associated with a newly-elected President pushing for fresh initiatives; political pressures to over-dramatize these new approaches; resistance to the initiatives from the career bureaucracy of the U.S. government, from interest and pressure groups, or from both; lack of sustained attention as other issues dominate the time of senior officials; uncertain, contradictory and ineffective implementation of announced new policies; and then their tacit or even explicit abandonment. This pattern makes it hard to dismiss the possibility that the Obama administration’s promising and coherent overture will give way to cacophony or to silence in the months and years ahead.

There is already evidence to support those who are skeptical. Indications from the new administration that it respected the right and indeed the responsibility of Latin American countries to diversify their international relationships, and that the United States was moving beyond hegemonic presumptions and policies were soon apparently contradicted when Secretary of State Clinton stated that the increasing presence of China, Iran and other extra-hemispheric actors in the region was a source of concern. The President’s call for a new era in relations with Cuba was followed by suggestions from within the administration that Cuba needed to take the next steps if relations were to improve, and by reported resistance from the Obama administration to increasing sentiment within the Organization of American States to lift the Organization’s expulsion of Cuba, adopted in 1962. Mr. Obama’s early promise that comprehensive immigration reform would be a first year priority gave way to a commitment only to begin consultations on the issue this year. After the new

---


administration acknowledged the need to regulate if not prohibit the export of small weapons from the United States to Mexico, the President himself indicated on his visit to Mexico that it was unrealistic in the domestic politics of the United States to tackle this issue.⁸

And the new administration’s approach to trade policy has been confusing at best: rejecting protectionism but accepting a «Buy American» provision in the economic stimulus legislation; emitting positive signals about its willingness to proceed with the Free Trade Agreements for Colombia and Panama but indefinitely postponing action; talking up energy cooperation with Brazil but preserving the subsidy for U.S. corn-based ethanol producers; and promoting enhanced partnership with Mexico but allowing the experimental program for Mexican truckers to enter the United States to lapse, leaving the United States in non-compliance with an important NAFTA provision. Each of these examples, and there are no doubt others, illustrates the continuing power and relevance of key interest groups and their access to the highly permeable process of U.S. foreign policy-making, particularly on «routine» issues that do not involve national security.⁹

It is much too early to be sure how the Obama administration’s policies toward Latin America will develop over the next 4-8 years, or how U.S. relations with the diverse countries and subregions of Latin America will evolve. On each of the main issues and relationships –trade, immigration, energy, narcotics, border security, strategic partnership with Brazil, managed interdependence with Mexico, Central America and the Caribbean, rapprochement with Cuba, and relations with the «Bolivarian» populist regimes– there are conflicting interest and advocacy groups in the United States. There are also diverse participants with differing views within the U.S. government’s executive branch and within Congress as well as among and within the countries of Latin America and the Caribbean. How policies and relationships take shape will depend, as in the past, largely on the pulling and hauling of these different actors in a series of overlapping and interlocking bargaining processes, within the United States and between the United States and the countries of Latin America, that eventually produce policy outcomes. Bureaucratic and interest group politics, tempered and shaped by political calculations and personal relations, will

undoubtedly have more impact than grand designs. Inconsistencies and contradictions are inevitable; what is uncertain in advance is how large and important these will be, and whether they will overwhelm any coherent and effective approach.

There are reasons to think that the Obama administration will persist in implementing the coherent vision of inter-American relations it set forth in its first hundred days: disposed to inter-American cooperation with key countries and subregions on shared problems and opportunities; inclined toward multilateralism; preferring concrete programs to overblown rhetoric; taking responsibility for the domestic U.S. sources of some regional difficulties; building domestic coalitions to support expanded trade and sustainable immigration reform; open to pragmatic accommodation with populist and nationalist movements; supporting local efforts to strengthen democratic governance with patient and multilateral approaches; and moving carefully to build a mutually respectful relationship with Cuba, looking toward future rapprochement without abandoning U.S. concerns about human rights and eventual democratic governance.

The reasons to think that the Obama administration’s early moves on Latin America policy may take root and become a settled course of action include the new administration’s relatively orderly, reasoned, deliberative and non-confrontational decision-making process and style; the fact that the vision of the new policy team appears well-aligned with that of the career bureaucracy specializing in Latin American affairs; the fit between the administration’s Latin American policy approaches and both its domestic priorities and its broad international vision; the composition of the new Congress; and the President’s considerable personal prestige and political leverage. Another reason to think that the new administration’s policy initiatives may endure is the relative weakening in recent months of several interest groups that might oppose the administration’s approach, notably the hard-line sector of Florida’s Cuban-American community; the most protectionist segments of organized labor; the organized gun lobby which has opposed all measures to restrict and control weapons sales; some of the specialized agricultural interests; and the fraction of the foreign policy establishment that has wanted to penalize some Latin American governments for their failure to align themselves with U.S. positions on international matters during the Bush years. Because all these forces have weakened, and because the new President enjoys a growing degree of public confidence, the Obama administration may have more room to maneuver on Latin American policy than has been accorded to other recent presidents.
A great deal depends, of course, on the administration’s degree of success in turning around the economy, in fact and in public perceptions. Prolonged economic downturn and loss of public confidence in the administration’s competence to manage the economy would undermine its approaches to trade and immigration, and would give it much less latitude to oppose interest groups on many issues, ranging from Cuba to border security, energy to narcotics.

As has been true in the past, U.S. policies toward Latin America are likely to be shaped and constrained in great measure by evolving domestic concerns and by broader international pressures. That is the nature of U.S.-Latin American relations, no matter who occupies the White House. This time, however, an administration that understands Latin America’s ongoing significance for the United States and consequently has a strategic vision for the Americas may be able to fend off pressures that would otherwise undermine its project for renewing inter-American cooperation.