

# *MESOAMERICA*

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## U.S. Hegemony or Global Good Neighbor Policy?

PART 1

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During the past few years we have faced two major challenges in conceiving of a new foreign policy in Latin America. The first is the relative lack of attention to the region, by both the U.S. government and public. The second is the increasing friction between the current U.S. administration's strategies for global U.S. hegemony and Latin American elected governments and grassroots trends toward greater independence and new models.

The following policy review of US-Latin American relations examines the salient new developments in Latin America and the Caribbean and US policy in the region. It concludes with general guidelines for a more coherent and constructive US-Latin American policy in the region, along the lines of the "Global Good Neighbor Ethic for U.S. Foreign Policy."

### **I. Why Latin America Matters**

Over the past five years, the US had paid relatively little attention to Latin America. Since 11 Sep '01, policymakers, media, and the US public have kept the focus on the Middle East and Muslim countries. With the invasion of Iraq in '03, foreign policy, while gaining greater public attention, has become nearly synonymous with the debate over the occupation of that country and the deteriorating conditions for peace in the Middle East.

The US still retains a special sense of hegemony over its "near abroad" or backyard. But in an age of the global war on terror, global economic integration, and global communication, geographical proximity has reduced relevance in prioritizing international relations. As the only remaining superpower since the disintegration of the Soviet bloc, Washington has come to regard the entire globe as its natural domain.

One result of this global reach is that less importance is attached to relations with Latin America than to nations with more strategic resources, especially oil, more profitable investment locations, geopolitical importance, and those that offer expanding consumer markets.

The problem for Latin America is that the lack of coherent policymaking has led to stopgap and piecemeal policies, far more reactive than pro-active. These policies, while generally falling under the erroneous framework of the National Security Doctrine, are not based on a comprehensive and careful analysis of the region; nor do they take into account the needs of the countries themselves. Moreover, between the distinct policy areas—counternarcotics operations, development aid, anti-terrorism,

immigration restriction, trade liberalization—they frequently contradict each other and fail to consider broader policy objectives in the region.

Historically, the reasons for Latin America's relevance to US interests—as defined by the governing elite—have changed. Latin America and the Caribbean were traditionally linked to the United States by geography. In the early 19th century the US government instituted the Monroe Doctrine to ensure that the Western Hemisphere would remain outside the dominance of colonial powers and mercantilists. In this way it asserted both its interest and its hegemony over the region. The purpose was not only to pull the new nations of the hemisphere into its sphere of influence but also to keep other countries out. This served both security interests and economic objectives.

The Cold War dictated a new set of objectives oriented toward eliminating what were defined as communist threats. But since the end of the Cold War and the beginning of the “global war on terrorism,” Latin America has taken a back seat in U.S. foreign policy in relation to other parts of the world. The former rationales of proximity, defeating communism, and maintaining regional hegemony have fallen away to new, more complex forms of involvement.

For many who have analyzed or experienced firsthand the U.S. policies that fomented civil wars, supported military dictators, or helped overthrow elected governments, neglect may seem a positive development in U.S.-Latin American relations.

But the US continues to exercise strong hegemonic ties in the region, whether through its expanding military presence, NAFTA-style trade agreements, or the dictates of US-dominated international financial institutions. Latin America is still a crucial area for the US. Moreover, recent political trends have placed it squarely in the center of major debates on the future of US foreign policy and the course of globalization. Latin American nations have called into question the US government's efforts to militarize international relations under a counter-terrorism agenda that does not reflect the reality of the region and have increasingly protested the neoliberal model.

At this juncture, to base alternative US policy in the region on a negative agenda—what the US should *not* do in Latin America—would be short-sighted, and ultimately would be only a defensive position. Although regional attention has been spotty, conservatives developed a long-term and cohesive foreign policy agenda centered on US global hegemony over a decade ago. To counter that agenda of military presence, intervention, corporate privileges, and deepening rifts between the rich and the poor, we too must develop a more comprehensive agenda.

What is clear is that in today's globalized world, the US and Latin America remain inextricably linked—and in some ways even more so. The large US market, expanding Latin American markets for US goods, the international drug trade, immigration—all underline the strategic relationship that exists between the two regions.

It is also clear that many countries in Latin America are taking bold steps toward addressing some of the worst inequities of corporate-led globalization and their colonial heritage. A US foreign policy that supports, rather than counters, these initiatives and that resolutely respects the right to self-determination could bring our nations into a shared community of values based on sustainable development, inclusive democracy and peace.

## II. Continental Drift: Trends in Latin America

Despite the more dramatic developments in other parts of the world, Latin America has drawn world attention on an increasing number of occasions. This time it has not been due to major crises, such as the economic crashes that rocked the continent with Mexico's peso devaluation in 1995 or the implosion of the Argentine economy in 2001. Instead, the region has made headlines for its new and unexpected political leadership that in some cases extends to the global stage.

From Brazil's leadership of developing countries in international forums to Argentina's negotiations with the International Monetary Fund to Bolivia's new indigenous president, something new is happening across the continent. In the first years of this century, four countries (Brazil, Uruguay, Argentina, and Bolivia) have moved from economically orthodox, conservative governments to center-left rule—and Mexico may very well follow after presidential elections in July '06.

Popular movements against the privatization of basic services, transnational control over natural resources, and the exclusion of poor and indigenous populations from the benefits of economic integration have brought down some governments, shaken others, and forced powerful corporations to retrench.

These trends are far more complicated than locating nations on a simple ideological line, and while the trend to reject or modify U.S. hegemony in hemispheric relations is positive, there are also contradictions, exceptions, and countervailing trends. Brazil's labor government—despite its leftist origins and commitment to social movements—has adopted quite orthodox economic and financial strategies. Even one of the most vehement critics of the US government, President Hugo Chavez in Venezuela, has extensive economic and political ties to its northern neighbor. And many nations, instead of moving away from the US sphere of influence, have entered into free trade agreements and cooperated willingly with expanded US military presence in the region.

Nonetheless, the move to the left of important Latin American nations has produced a continental drift that has separated the North and South in the Americas. The ideological shift among its southern neighbors seriously irritates the rightwing Bush administration and has galvanized elements within the administration that seek harsher methods of repressing governments and movements they disagree with.

On the other side, Latin American nations have reacted strongly to the Bush agenda of US hegemony and since the invasion of Iraq anti-US sentiment has been on the rise. Conservative parties closely allied to traditional elite and foreign interests have taken a beating throughout the region. Their failure over the past decades to solve growing problems of poverty, inequality, and corruption has not gone unnoticed by the population.

The concept of a Western Hemisphere under the stewardship of the US is being challenged. The strengthening of the Southern Common Market (Mercosur) as an alternative to the failed Free Trade Area of the Americas, the recent formation of the Community of South American Nations, and Hugo Chavez's Bolivarian Alternative at a minimum represent attempts to create a counterweight to US hegemony in the region. Led by the oil-rich and rhetoric-laden Venezuelan government, southern nations are building bridges that link them directly instead of passing through Miami, Houston, or Washington. Moreover, they are purposely diversifying economic ties, with Europe and increasingly

China playing far greater roles. This changes the paths of globalization and the conduits of control in the region, even when many of the basic doctrines remain intact.

Moreover, more independent political leadership presents a new panorama for democracy in the region. Evo Morales' presidency will face the challenge of governing in favor of the marginalized and indigenous populations. He takes over a poor and heavily indebted nation with little margin for maneuvering between popular expectations and international obligations. In the past, this dilemma has brought down governments propelled to power by strong popular movements. US government officials have already criticized Morales and the proposed reforms that would stop coca eradication programs, increase state control over energy production, and assert more control over the extraction of all natural resources.

To what extent the distance between US policy and Latin American tendencies could lead to more open conflict is one of the biggest questions facing U.S.-Latin America policymakers in the year to come. The answer will depend in large part on citizens' involvement in US foreign policy and our ability to not only block interventionist moves but also to build an alternative policy framework. The Global Good Neighbor Ethic seeks to offer such a framework.

We argue that under this new framework, the end of US hegemony is not a threat but an opportunity to create more equal and neighborly relations in the region.

### **III. Current U.S. Policy and Why it Should Change**

From the start of Bush presidency in January '01, the administration's foreign policy team has been set on consolidating its dominant position in international affairs through a combination of aggressive military, diplomatic, and economic strategies. But its ambitious plan to exercise power as the world's only superpower through global military domination, regime change, "coalition of the willing" alliances, and extension of NAFTA-like trade accords—has hit a wall of domestic and international resistance.

Nowhere is this more obvious than in Latin America and the Caribbean. Although originally considered a prime testing ground for the vision for a New American Century, instead of consolidating control over the region the Bush government has watched in dismay as Latin America has moved out of its orbit and increasingly rejected the dictates of a Pax Americana under undisputed US hegemony.

Moves to break out of this hegemony are viewed as anything but positive by the Bush administration, leading to increased friction in relations. Despite growing criticism of US economic prescriptions and foreign policy, instead of making its positions more flexible, the administration has demonstrated an attitude of imperial hubris. Although not returning to the gunboat diplomacy of Teddy Roosevelt or the "national security state" interventions of the Cold War period, the Bush administration has repeatedly meddled in domestic politics and attempted to strong-arm Latin American and Caribbean nations to follow its bidding.

Whether it be on the Iraq invasion, trade policy, impunity for its soldiers in the International Criminal Court, or who should serve as their elected leaders, the Bush administration has demanded loyalty to its own agenda. Secretary of State Condoleezza Rice has dubbed this approach "transformational

diplomacy,” referring to the administration's assumed right to transform the domestic policies of other nations to reflect its interests.

Examples of this “transformational diplomacy” in action over the past five years include:

- Use of democratization aid through National Endowment for Democracy, USAID, and US diplomacy to support the ouster of Haiti's elected President Jean Bertrand Aristide in '04.
- Use of political aid and US diplomacy to support various attempts to bring down the elected president Hugo Chavez in Venezuela, including at least implicit endorsement of the coup attempt in '02 and active support for the unsuccessful referendum in '04.
- Denial of US military aid to countries that do not offer impunity for US soldiers deployed in their territory, thereby undermining the credibility of the International Criminal Court.
- Retaliation against nations that do not support US positions in international forums, such as the postponement of the free trade agreement with Chile after Chile declined to support US plans to invade Iraq in the UN Security Council.
- Heavy-handed US attempts to have its choice (first Francisco Flores of El Salvador and later Mexico's Luis Derbez) elected secretary general of the Organization of American States.
- Stringent economic embargo against Cuba, in disregard of international law, while also establishing a commission and special fund to shape the post-Castro political transition.
- Public declarations from State Department officials to warn voters in El Salvador, Nicaragua, and Bolivia that the election of certain candidates would endanger good relations with that country—with obvious implications for continued aid and trade preferences.
- Support for the hard-line counterinsurgency plan of Colombia's President Alvaro Uribe while failing to support peaceful channels to resolve the conflict or to insist that the leaders of the disarmed paramilitary units face justice for crimes in many cases committed in coordination with the U.S.-backed Colombian army.

In the area of security, US military aid now surpasses economic aid to Latin America and the Caribbean, and the US Southern Command has become the main US interlocutor in US-Latin American relations. Since the onset of the “global war on terrorism,” Southcom has reconfigured its mission to include counterterrorism as its overriding objective, despite the lack of any identifiable anti-US terrorist threat coming from the region.

Under the umbrella of counter-terrorism, the military has taken the lead in US policy toward Latin America and in identifying what it considers the political, economic, and military trends in the region that put US hegemonic control over the hemisphere at risk. The Pentagon now regards any move that counters the US agenda on trade, security, or governance—whether from governments or social movements—as security threats to the US. In addition, the Pentagon is advocating joint cooperation with the region's armed forces to address the new public safety concerns resulting from rising drug- and gang-related crime throughout the region, and most notably in Central America.

Strengthening the military leads away from democracy and tempts authoritarian tendencies in nations that still have not consolidated democratic institutions since the period of military dictatorships in the seventies and eighties. The fact is, neither the governments nor the social movements in Latin America and the Caribbean present any current threat to US national security.

Leftist and rightist armed groups do exist in Latin America, mainly in Colombia, but these outlaw organizations do not have extra-territorial ambitions, and as such should be the concerns of the respective governments of these nations, and not the US security apparatus. Likewise, multiple threats to the “human security” of the Latin American and Caribbean peoples persist throughout the region. But these nonmilitary threats—variously called “nontraditional,” “emerging,” or “multidimensional” threats—do not threaten US national security, and should be addressed primarily, if not exclusively, by nonmilitary measures.

Hand in hand with the US government's increasing military engagement in the region has been an active campaign to use economic policy as a parallel path to consolidating US hegemony. By attempting to standardize commercial relations under the NAFTA model, using aid to foment dependency and force open markets, and conditioning international financing through multilateral finance organizations, the US asserts its own interests while failing to take into account those of the region.

Latin America faces grave development challenges. Growth in the region has been accompanied by continued high poverty and unemployment, and a net outflow of capital. Very few sectors and only a handful of families benefit from increased foreign trade and investment. Meanwhile, poverty has grown from 200 million people in 1990 to an estimated 222 million for 2004. 185 million people in the region live on less than \$2 a day and four countries—Bolivia, Haiti, Honduras, and Nicaragua—form part of the unenviable club of very poor Highly Indebted Poor Countries. The region suffers over 10% unemployment, without taking into account forced emigration, the lack of jobs in the formal sector, and statistical methodologies notorious for underreporting. To meet the Millennium Development Goals, per capita GNP would have to grow 2.9% every year to '15, something that has only happened twice since 1995.

According to the World Bank, Latin America is the most unequal continent in the world. The recognized measure of inequality, the Gini coefficient, shows high factors in almost all Latin American countries, where on average the top tenth of the population accounts for 36% of income and the bottom 40% get less than 14%.

The lack of steady growth and the inability to abate poverty and unemployment shows that something in the current model of trade-led growth is not working for the majority of Latin Americans. Regardless, the current discourse on “free trade” within the Bush administration promotes a simple equation between trade, development, and democracy. The U.S. government has launched a major offensive to impose NAFTA-style agreements on all the countries of the hemisphere. Unable to do this in one fell swoop under the Free Trade Agreement of the Americas, current negotiations center on the Central American Free Trade Agreement (CAFTA), and the Andean Free Trade Agreement (AFTA), both closely modeled on NAFTA.

A Global Good Neighbor Ethic places sustainability, at home and abroad, as the highest goal of economic policy. However, policy reform imposed by the US, whether through free trade agreements or the conditions required by IFIs under its dictates, are much to blame for the fact that Latin American economies are being forcibly restructured in ways that are unsustainable. Dependence on the export of primary sector products and natural resources represents a return to “dead end” economic development and a step back in development of national industry. Many value-added industries have been replaced by exploitation of raw materials or off-shore assembly plants. National production, particularly from small- and medium-sized businesses, has suffered.

Moreover, by ruling out national policies of greater state regulation of non-renewable resources, encouraging the “comparative advantage” of cheap labor that devalues work and exploits desperation and gender discrimination, and extending high-yield models of export agriculture that ignore rules of sustainable water and chemical use, US economic policy is building an unsustainable architecture that benefits the few and deprives the many, especially future generations.

Our own country faces the same problems that our policies promote in Latin America. By assigning planning and allocation almost exclusively to market forces, we have unleashed a series of contradictions and problems with long-term impacts. New agricultural technology has led to record yields but significant problems in water and ground pollution, erosion, greater vulnerability of the food supply due to monocultures, oligopoly control, and market imbalances stemming from oversupply.

Outsourcing has resulted in the loss of US jobs and downward pressure on labor rights and benefits. Fossil fuel dependence has dictated policies that are environmentally and politically dangerous, including increased drilling in fragile ecosystems, political alliances with non-democratic states, and aggressive actions to assure oil supplies from abroad. When the model is imposed on weaker foreign economies, such as Latin America, the risks are even greater.

*(See May issue for Part II)*

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