

## **“U.S. Policy toward Latin America in 2009 and Beyond”**

Testimony before the House Committee on Foreign Affairs  
Subcommittee on the Western Hemisphere

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February 4, 2009

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify this morning at this hearing, “U.S. Policy toward Latin America in 2009 and Beyond.” First, as the necessary context for my recommendations for U.S. policy, I would like to describe briefly the status of the relationship between the United States and Latin America. From this context, I believe that it will be clear that both a new U.S. spirit of respect and new U.S. policies are crucial to building a constructive partnership between the United States and Latin America in the next few years.

### The Context: Latin America and the World in the 2000s

Approval of the United States has diminished in Latin America. In Latinobarometer surveys between 2000 and 2005, approval ratings of the United States fell by more than 20 points in Ecuador, Chile, Brazil, and Bolivia; more than 30 points in Mexico and Uruguay; and more than 40 points in Argentina, Paraguay, and Venezuela.<sup>1</sup> In the 2006 Latinobarometer survey, President George Bush was among the hemisphere’s most unpopular leaders, tied with Hugo Chávez and scoring just a tad better than Fidel Castro.<sup>2</sup> In a 2007 BBC survey, 64% of Argentines, 57% of Brazilians, 53% of Mexicans and 51% of Chileans had “mainly negative” views of the United States.<sup>3</sup> Particularly indicative of the erosion of U.S. influence was the contrast between the 1994 Summit of the Americas, when 34 countries of the hemisphere signed an agreement for a Free Trade Area of the Americas (FTAA), and the 2005 Summit, when Brazil and other Latin American countries called for the U.S. to end its agricultural subsidies prior to the resumption of talks for the FTAA.

What went wrong? As elsewhere, overwhelming majorities opposed the U.S. war in Iraq and the U.S. treatment of detainees at Guantánamo.<sup>4</sup> In its invasion of Iraq without the approval of the United Nations, the Bush administration reminded Latin Americans of the multiple U.S. interventions in Latin America during the twentieth century. Also, the administration’s welcoming of a 2002 coup against President Hugo Chávez dismayed the region’s leaders, who in the Inter-American Democratic Charter had just stipulated the steps that were to be taken by the Organization of American States to sanction coups in the region. In general, the administration was considered hypocritical--not playing by the rules that it wanted others to follow--and President Bush was perceived as arrogant and incompetent.<sup>5</sup>

At the same time as Latin Americans were more critical of the United States, they became interested in China's potential role in the region. Trade between Latin America and China increased ten fold between 2000 and 2007, to over \$100 billion (although this figure was still well below the \$560 billion in U.S.-Latin American trade).<sup>6</sup> Although China's investment in Latin America is only a fraction of the investment of the European Union (the largest investor in the region) or of the United States, it is increasing. In the Latin American nations where China's role has increased the most, China is often perceived as an emerging superpower. In Peru, for example, despite the new free-trade agreement with the United States and two visits by President Bush, China was rated more favorably than any other country in a Catholic University survey; the U.S. finished seventh.<sup>7</sup>

Latin American nations are also more confident of their own capacity to play significant roles in the hemisphere. Overall, the last five years were good ones for the region: economic growth was robust, poverty levels declined, and democracy deepened. These trends were particularly evident in Brazil; also, as Latin America's largest country with new oil discoveries to boot, it became Latin America's foremost leader and, as a BRIC country (with Russia, India, and China), a major global player as well.

Further, for the first time since the Cold War, the United States faces in the region an adversary with ambitious foreign-policy goals and the resources to pursue his goals: Venezuelan president Hugo Chávez. With record-high oil prices, the Hugo Chávez government has courted Chinese investment, conducted naval exercises with Russia, and befriended Iranian president Mahmoud Ahmadinejad. It is estimated that, in 2006, Venezuela spent \$2.1 billion abroad and that, in Latin America, Venezuela was spending five times as much as the U.S. on aid.<sup>8</sup> In part as a result, the Chávez-led Bolivarian Alternative in the Americas (ALBA) now includes not only Venezuela and Cuba but also Bolivia, Nicaragua, Honduras, and Dominica. The tensions between the United States and Venezuela and Bolivia are highlighted by the fact that, as of September 2008, all respective ambassadors had been withdrawn.

Most recently, the U.S.-Latin America relationship has been battered by the global financial crisis. Rightly or wrongly, the crisis has been blamed on the United States by many Latin Americans, and it has further tarnished the image of free-market economics in the region.<sup>9</sup> Of course, President Obama is working overtime to achieve an economic recovery, and success will be crucial for inter-American relations.

### A new spirit of respect

Former president Bill Clinton has said that what matters most for the United States in the world is "the power of our example, not the example of our power." This is particularly true in Latin America, which shares American democratic values more than any other region except Europe. So, President Obama has gotten off to a good start with his initiative to close the detention facilities for suspected terrorists at Guantánamo Bay.

President Obama will have an excellent opportunity to strike a new tone with Latin America's leaders at the fifth Summit of the Americas in Trinidad and Tobago on April 17-19, 2009. First and foremost, the president should listen—which fortunately by all

accounts he does very well.<sup>10</sup> And, the president can show that he is listening by changing U.S. policies in the recommended direction; as will be elaborated below, a change in U.S. policy toward Cuba would be ideal. Also, given that Hugo Chávez and Evo Morales are expected to be at the Summit, hopefully fists will be unclenched, handshakes made, and better relationships begun.

### Smart U.S. Policies for Latin America

Current U.S. policies toward Cuba, drug control, and immigration have been in place for twenty years or more, and it is now very clear that they have failed. Not only are the policies unwelcome in Latin America, but they are considered anachronisms, maintained only because they are responses to U.S. domestic politics, and accordingly fuel the perception that the U.S. is not a rational superpower. Also, there is robust agreement within the Democratic Party on the need for change in these policies, and so it is appropriate that they be top priorities.<sup>11</sup>

Several other U.S. policies in the hemisphere are very salient also: free trade, foreign assistance and poverty reduction, and human rights and democracy. Important as these policies are, I would not (for rather different reasons) recommend that the Obama administration emphasize them at this time.

### *Cuba*

For nearly half a century, the U.S. has maintained a trade embargo and other sanctions against Cuba, with the expressed goal of a democratic transition on the island. Clearly, this has not happened. For decades, U.S. sanctions have been overwhelmingly repudiated in the United Nations and other forums. Every other government in the hemisphere has diplomatic and economic relations with Cuba. And, opinions in the United States are changing: in a recent Zogby poll, more than 60% favored free travel to Cuba and U.S. trade with Cuba and in a Florida International University poll even 55% of Miami-Dade Cuban Americans favored ending the trade embargo.<sup>12</sup>

It is an excellent moment for change. Perhaps two-thirds of Cubans are of African descent, and they are particularly excited about the inauguration of President Obama. The more that Obama reaches out, the more difficult it will be for the Castro brothers to blame the United States for Cuba's problems.

During the campaign, Barack Obama promised unlimited family travel and remittances for Cuban-Americans. But he should go further. As leading experts on Latin America recommended in a 2008 Brookings Institution report, all restrictions on travel and remittances as well as the "communications embargo" should be ended immediately; Cuba should be removed from the U.S. Department of State's list of state sponsors of terrorism; and cultural, scholarly, sports, and official exchanges should be encouraged.<sup>13</sup>

### *Drug Control*

U.S. drug-control policy has failed. Despite recent annual expenditure of about \$20 billion on domestic law enforcement and supply reduction, U.S. drug use has not declined significantly since the early 1990s and the price of cocaine has fallen.<sup>14</sup> In part due to draconian drug laws, the U.S. has the highest incarceration rate in the world.

Under the program *Plan Colombia*, more than \$6 billion was spent with the stated goal of cutting coca cultivation in Colombia (the major producer) by 50% from 2000 to 2006, but in fact coca cultivation rose slightly.<sup>15</sup> In the Andean region as a whole, coca cultivation in 2007 was at a 20-year high.<sup>16</sup> Not only has U.S. policy failed to achieve its objectives, but the methods used to try to reduce supply—in particular, aerial fumigation—endangers and alienates near-by communities.

What should be done? There is agreement among top Democratic Party analysts on several important recommendations. One that is especially important to Latin America is that the U.S. should try to stop the smuggling of arms from the U.S. to the region; it is estimated that about 2,000 guns cross the border every day and constitute roughly 90% of the guns used by Mexico's drug traffickers.<sup>17</sup> In particular, the U.S. should ratify both the UN protocol against illegal firearms and the Inter-American convention against firearms.<sup>18</sup> There is also consensus on the need for harm reduction—that chronic use should be considered a public-health problem, not a criminal problem, and that drug courts and drug treatment programs should be expanded. (The cost of incarceration for one year is about \$34,000, versus \$3,300 for one year of substance abuse treatment.<sup>19</sup>) Analysts agree too that drug-prevention programs should be made more effective.

More controversial is the question of supply-reduction efforts. Some analysts believe that forced eradication and fumigation should be ended, and more emphasis be placed on support for alternative development. Others, however (who include me) believe that, although such an approach is an improvement, it will not succeed in significant supply reduction. In our view, demand for drugs is inevitable; and, given that so much terrain in Latin America is apt for coca cultivation, even if supply is curbed in one area, it will move to another. The profits in the drug industry are huge; the value of the roughly 550 metric tons of coca produced in Colombia upon arrival in the U.S. was estimated at about \$75 billion in 2007, or roughly thirty-five times as much as was spent on eradication and interdiction.<sup>20</sup> It is very difficult to imagine conditions in which traffickers will not find producers.

Accordingly, in our view, a better approach is decriminalization.<sup>21</sup> Decriminalization would have the major advantage of reducing drug-fueled organized crime, which of course is currently ravaging parts of Mexico. Also, violent organizations that were once insurgencies, namely Peru's Shining Path and Colombia's FARC, endure today primarily because of drug money and coca growers' opposition to supply reduction.

Although large majorities of Americans believe that the U.S. war on drugs is failing, they are not clear about what should be done.<sup>22</sup> Currently, approximately 40% of Americans support the legalization of cannabis.<sup>23</sup> Perhaps, given the success of such movies as *Traffic* and *No Country for Old Men* and the admission of marijuana smoking by Bill Clinton and Barack Obama as well as Michael Phelps, it is a moment for public debate and education on this score.

### *Immigration*

A third failed policy is immigration, which has been based since the mid-1990s primarily on border control. Since 1996, the number of border patrol officers has more than tripled, and currently a 700-mile-long, 16-foot “wall” is being constructed along the border at a cost of about \$9 billion.<sup>24</sup> However, since 2000, the possibility that an illegal immigrant is apprehended at the border has not risen significantly and the number of illegal immigrants from Latin America has increased by roughly 40%.<sup>25</sup> Meanwhile, the border “wall” is deeply insulting, especially to Mexicans. Also, especially from South America, illegal immigrants have often over-stayed their visas, and as a result visas have become more and more difficult to secure.

Analysts agree that the prospects for control of illegal immigration are much better at the workplace than at the border.<sup>26</sup> Laws against the hiring of illegal workers should be strictly enforced; to this end, a new, secure Social Security card should be introduced, the E-verify system improved, and fines against employers of illegals increased. Upon strict enforcement at the workplace, the immigration-control practices at the U.S. border and U.S. consulates, which are prone to racial stereotyping and are often demeaning, should become more humane. (Indeed, with or without other changes in U.S. immigration policy, transparency in the visa process and consular officers’ respect for all visa applicants must be increased.) Also upon strict enforcement at the workplace, guest worker programs could be expanded.

Democratic analysts also agree that, under certain conditions, a path to legal status--at least a visa if not citizenship--should be provided for illegal immigrants.<sup>27</sup> Almost all illegal immigrants are in the U.S. because their work is welcome in this country; yet, they live in the shadows, with horrific tolls on their families. For most Americans, this is not ethically acceptable. About two-thirds of likely U.S. voters (and 80% of likely Democratic voters) support a path to citizenship for illegal immigrants who pay taxes, pay a penalty, and learn English.<sup>28</sup>

### *Free Trade*

During the presidential campaign, Barack Obama criticized recent U.S.-Latin American Free Trade Agreements (FTAs); he said that worker training and other labor adjustment programs should first be established in the U.S., and that labor and environmental protections should be increased in the Latin American countries.

There is no reason for President Obama to change his position now. Although many mainstream Democratic analysts argue that FTAs have met their stated objectives of increasing trade and investment and should be supported, analysts in the progressive wing of the party emphasize that, especially due to large U.S. agricultural subsidies and accordingly reduced prices for food products, FTAs exacerbate rural poverty and are accordingly deleterious.<sup>29</sup> The U.S. public is not enthusiastic about FTAs; as of November 2007, only about 40% of Americans believed that free-trade agreements were “a good thing” for the United States.<sup>30</sup>

A key pending FTA is the agreement with Colombia. Some Democratic Party analysts believe that this FTA should be approved by the U.S. Congress because Colombia has

negotiated in good faith for years and the U.S. will appear an unreliable partner if it is not approved.<sup>31</sup> There is truth in this argument, and President Obama should acknowledge his concerns on this score to President Álvaro Uribe. However, in the presidential campaign Barack Obama said that Colombia's human-rights record has not improved sufficiently in recent years to warrant a permanent U.S. stamp of approval, and other leading Democratic analysts and I agree. The Colombian government should be encouraged to further improve its human rights performance.

### *Foreign Assistance and Poverty Reduction*

As Barack Obama indicated during the campaign, current U.S. foreign assistance and support for poverty reduction in developing areas are much too small. Through the Millennium Challenge Corporation, U.S. AID, the IDB, and the World Bank, the U.S. should provide much more funding for poverty reduction.<sup>32</sup> However, at this time of financial crisis, an increase in U.S. aid to Latin America is unlikely to be viable.

### *Human Rights and Democracy*

Unfortunately, as has already been discussed, most Latin American leaders considered the Bush administration hypocritical about democracy promotion. Accordingly, for the moment the Obama administration should work only multilaterally on these principles; hopefully U.S. credibility will gradually be restored.

### Conclusion

With a new tone of respect and new, smart policies on Cuba, drug control, and immigration, the Obama administration should find much greater Latin American interest in cooperation on other important but very complex issues, such as economic integration and poverty reduction and also energy and climate change. Further, with a tone of respect and smart policies, the Obama administration should find it easier, over time, to engage President Chávez and other ALBA leaders and, hopefully, develop their commitment to working together with the U.S. toward a peaceful, prosperous, and democratic hemisphere.

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<sup>1</sup>The Latinobarometer survey in eighteen Latin American nations is the most widely reported annual survey for the region; key results are published annually in *The Economist*. On this item, see *The Economist*, October 29, 2005, p. 40. The "approval ratings" are the net result when the number of "very bad" or "bad" responses are subtracted from the number of "very good" or "good" "opinions of the United States."

<sup>2</sup>"Latin American Publics are Skeptical about the U.S.—But Not About Democracy," at [www.worldpublicopinion.org](http://www.worldpublicopinion.org) in the section on Latin America, dated March 7, 2007.

<sup>3</sup>Idem. Apparently, although comparisons from different survey instruments are very imprecise, even in 1958—a bleak period for inter-American relations, just after Vice President Nixon's disastrous trip to Latin America—majorities had positive opinions of the United States. See Alan McPherson, "Nixon Stoned, Washington Shocked: The 1958 Caracas Riot as Anti-U.S. Awakening," Paper prepared for delivery at the meeting of the Latin American Studies Association, Dallas, Texas, March 27-29, 2003, p. 9.

<sup>4</sup>"Latin American Publics..." at [www.worldpublicopinion.org](http://www.worldpublicopinion.org).

<sup>5</sup>This was the case even in countries where the bilateral relationship was good, such as Peru. I have had many conversations with Peruvians from all walks of life and the comments about President Bush were virtually invariably to this effect.

<sup>6</sup>Daniel P. Erikson, "The New Challenge: China and the Western Hemisphere," Testimony before the House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, June 11, 2008, p. 2.

<sup>7</sup>Instituto de Opinión Pública of the Universidad Católica del Perú, "Estado de la Opinión Pública," November 2008, p. 7. In another World Public Opinion survey, Argentines and Mexicans were more likely to be confident that President Hu Jintao would "do the right thing regarding world affairs" than they were that President George Bush would (although there was not a great deal of confidence in either leader).

<sup>8</sup>Javier Corrales, "Venezuela's Domestic and Foreign Policy: Current Trends," Testimony before the House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, July 17, 2008, p. 3 and Richard Holbrooke, "A Daunting Agenda," *Foreign Affairs*, Vol 87, No. 5 (Sept-Oct. 2008), p. 6.

<sup>9</sup>"Update 1-Latin American leaders berate U.S. for crisis," *Reuters Business and Finance*, January 30, 2009.

<sup>10</sup>This point was emphasized by OAS Secretary General José Miguel Insulza at his keynote address to the conference "The Obama Administration and Latin America's Rising Powers," George Washington University, January 26, 2009.

<sup>11</sup>The views of largely Democratic-Party Latin American experts have recently been clearly expressed in the report *Rethinking U.S.-Latin American Relations: A Hemispheric Partnership for a Turbulent World* (The Brookings Institution, November 2008).

<sup>12</sup>Zogby/Inter-American Dialogue survey, released October 2, 2008; "Miami-Dade poll sees shift in opinion over Cuba embargo," *The Miami Herald*, December 3, 2008.

<sup>13</sup>*Rethinking U.S.-Latin American Relations*, p. 29.

<sup>14</sup>*Ibid.*, pp. 25-26.

<sup>15</sup>*Idem.*

<sup>16</sup>*Idem.*, and Mark L. Schneider, "Foreign Assistance in the Americas," Testimony before the House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, September 16, 2008, p. 6.

<sup>17</sup>Peter DeShazo and Johanna Mendelson Forman, "Making the Most out of Merida," CSIS Americas Program, August 9, 2008, p. 1.

<sup>18</sup>De Shazo and Mendelson Forman, *p. 1 and Rethinking U.S.-Latin American Relations*, p. 27.

<sup>19</sup>Duncan Smith-Rohrberg Maru, "Wasting Drug Resources," *The Washington Post*, November 24, 2008, p. A17.

<sup>20</sup>Schneider, p. 6.

<sup>21</sup>See especially Ethan Nadelmann, "Drugs," *Foreign Policy* (Sept-Oct. 2007), pp. 24-30.

<sup>22</sup>Zogby/Inter-American Dialogue survey, October 2, 2008.

<sup>23</sup>Nadelmann, p. 30.

<sup>24</sup>*Rethinking U.S.-Latin American Relations*, pp. 16-17.

<sup>25</sup>*Ibid.*, p. 17.

<sup>26</sup>*Rethinking U.S.-Latin American Relations*, p. 19.

<sup>27</sup>*Ibid.*, p. 19.

<sup>28</sup>Zogby/Inter-American Dialogue survey, October 2, 2008.

<sup>29</sup>John Burstein, *U.S.-Mexico Agricultural Trade and Rural Poverty in Mexico*, the Woodrow Wilson International Center for Scholars (April 2007); Mamerto Pérez, Sergio Schlesinger, and Timothy A. Wise with the Working Group on Development and Environment in the Americas, *The Promise and Perils of Agricultural Trade Liberalization: Lessons from Latin America* (June 2008); Sergio Zermeno, "Desolation: Mexican Agriculture and Campesinos in the 21<sup>st</sup> Century," *NACLA Report on the Americas* (September/October 2008), pp. 28-32.

<sup>30</sup>*The Washington Post*, February 15, 2008, p. D1.

<sup>31</sup>*Rethinking U.S.-Latin American Relations*, p. 22.

<sup>32</sup>Excellent recommendations are provided in the Washington Office on Latin America, *Forging New Ties: A Fresh Approach to U.S. Policy in Latin America* (September 2007), pp. 7-8.