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10 Points for President-Elect Obama's Latin America Strategy

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Latin America and the Caribbean may not sit high on President-elect Barack Obama's foreign policy agenda, but geography, trade, investment, migration, and transnational threats draw Western Hemisphere issues inexorably closer to the top of the list. The new Administration will quickly discover opportunities and risks in the region. As a host of appointees and would-be ambassadors jockey for selection and Senate confirmation, the time is right to set down a list of 10 things Obama and the new Administration can undertake to demonstrate strong leadership for the Americas.

1. Do Not Renege on Free Trade Deals: Obama should press Congress to approve pending trade agreements with Colombia, Panama, and South Korea. These actions will send a strong signal that the new Administration will be adopting a forward-looking trade policy agenda that emphasizes the creation of new U.S. jobs through expanded export opportunities. With a firm commitment to free trade, the new President can undo the pre-election damage caused by "fair-trade" rhetoric that targeted narrow special interest groups (such as big labor unions) seeking protectionism to benefit themselves at the expense of their countrymen. Liberalization of global trade has created new markets for U.S. exports of goods and services as well as bilateral investment. These developments, in turn, have led to innovative new products at lower prices for consumers as well as an improved geopolitical climate.

2. Stand Firm with Mexico in the Drug Fight: The incoming Administration should act quickly to

show President Felipe Calderon and the Mexican people that the fight against Mexico's violent drug cartels will be a high security and law enforcement priority. The \$1.5 billion counter-drug assistance package known as the Merida Initiative will give Mexico, Central America, the Dominican Republic, and Haiti the support desperately needed to fight ruthless, well-financed drug mafias. Moving swiftly to choke off the flow of arms, bulk cash, and precursor chemicals southward from the U.S. will also reassure our closest neighbors of our sincere commitment to rolling back the tyranny imposed by drug terror.

3. Do Not Try to Appease Hugo Chávez: The Obama Administration has an opportunity to articulate a tough-minded strategy for dealing with Venezuelan President Hugo Chávez. Chávez has adopted an anti-American agenda that seriously weakens hemispheric cooperation in vital national security areas. His readiness to ally himself with enemies of the U.S. (such as Iran) and rivals (like Russia) has opened deep regional fissures. Such rifts, in turn, may be exploited by drug traffickers and international terrorists. Before the Obama Administration sends a new ambassador to Caracas, it needs to remind Chávez that clearing the bad air

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between the two countries involves responding to U.S. security concerns and restoring effective counter-drug and anti-terror cooperation.

4. No Summit of the Americas Circus: Obama should not permit the April 2009 Summit of the Americas in Trinidad and Tobago to be hijacked by anti-American, authoritarian populists, as was the fate of the last summit in Argentina in 2005. When it was launched in 1994, the presidential-level summit process was intended to consolidate democracy and facilitate negotiations for a Free Trade Area of the Americas (FTAA) agreement. Prospects for an FTAA have dimmed considerably in the years since, however, subverted by myopic special interests and hard-left opponents of market-based democracy. The 2005 summit was disrupted by an alliance of anti-U.S., anti-free trade, and anti-globalization groups and leaders, including Hugo Chávez, Evo Morales, Néstor and Cristina Kirchner, and other “21st-century socialists.” These radicals will seek to advance their destructive agenda again in Trinidad. This time, however, Obama must thwart them and promote the interests of the U.S. and our hemispheric friends and trade partners.

5. Continue Pathways to Prosperity: The incoming Administration should advance the “Pathways to Prosperity in the Americas” (PPA) program, an initiative to re-invigorate efforts to deepen and enlarge a free trade area in the Western Hemisphere. At a time when multilateral organizations (e.g. the World Trade Organization, the Inter-American Development Bank, the World Bank, and the International Monetary Fund) that were created to foster trade and open markets are struggling to advance free-market principles, and groups such as the United Nations are increasingly ideologically sympathetic to worldwide socialism, new post-Bretton Woods structures such as the PPA are needed to advance the interests of the United States and other free economies in the world. The PPA should be designed to support and enhance governing arrangements that emphasize the basic principles of economic freedom and market-led economic policies.

6. Move Ahead with Brazil: Obama has an opportunity to forge a more extensive alliance with Brazil; strengthening trade ties would be a good

place to start. Under President Luiz Inácio “Lula” da Silva, Brazil has emerged as a regional powerhouse, competently leading international peacekeeping efforts in Haiti and acting as a “grown-up” restraining influence on a power-hungry, anti-U.S. Hugo Chávez. Lula and his economic team have implemented prudent fiscal and monetary policies, attracting private investment and achieving robust economic development while alleviating poverty. As an incentive to encourage Brazilians to enter negotiations with the U.S. for a free trade agreement, Congress should immediately permit duty-free imports of Brazilian cane-based ethanol, offsetting the revenue loss by ending price supports for the wasteful U.S. corn ethanol program, which costs more to produce in relation to the energy it delivers, all while harming the environment. Ending federal mandates, in turn, will help a strong U.S. ally, Calderon of Mexico, where ethanol-fueled corn prices have led to higher (and politically costly) prices for corn tortillas, a Mexican dietary staple.

7. Work with Haiti: Obama should lead a renewed effort to help Haiti by personally urging Haitians to abandon their historically corrupt ways and strengthen democratic institutions. Deeper and stronger ties with its island neighbor, the Dominican Republic, are absolutely vital to further rule of law and new investment in Haiti. The Obama Administration should ensure that other powers in the hemisphere (e.g., Canada, Brazil, Mexico, Chile, and Argentina) pull their weight in the ongoing efforts to end the immense poverty and suffering in Haiti without resorting to mass out-migration. This hemispheric alliance should also fight against the use of the island by drug traffickers flying from Venezuela and using Hispaniola as a transit point. The new Administration should also boost private-sector job creation in Haiti by urging our allies to pass preferential trade agreements such as the U.S.–Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act.

8. A Freedom Agenda for Cuba: Obama can rekindle hope of positive change in Cuba by boldly championing human rights, individual freedom, and free market opportunity. New flexibility and openness to travel and wider contact with Cuban society should bring with it a demonstrable relax-

ation of the political and economic restrictions of the Castro regime that have impoverished Cubans and left the island's economy in shambles. Efforts to remove U.S. administrative and legislative restrictions on travel and trade with Cuba should be calibrated with reciprocal changes that free political prisoners, allow the growth of civil society, and remove restrictions on speech, access to information (including the Internet), and travel. Empowering the Cuban people rather than giving an economic lifeline to the Communist regime must remain at the core of any new Cuba policy.

9. Keep Regional Focus on the Inter-American Democratic Charter: The incoming Administration should work to build a stronger commitment to democratic governance and institutions within the Organization of American States (OAS). Eight years after it was negotiated and signed, the Inter-American Democratic Charter remains a unique agreement promising the people of the Americas democratic government based on rule of law, political pluralism, the separation of powers, and respect for human rights. Evoking the spirit of the charter and allowing it to serve as a shared guide for the

revitalization of the OAS will keep the institution relevant to inter-American developments.

10. Do Not Neglect Central America: The Obama Administration needs to pay more attention to Central America. Persistent poverty, weak institutions, and ineffective political leadership have left Central America vulnerable to crime, corruption, and misgovernment. The situation has grown acute in Nicaragua, where the electoral fraud and increasing repression imposed by Daniel Ortega's regime is undoing democratic and economic gains made in the 1990s. Long accustomed to exporting its people, Central America needs a steadying approach that fosters good governance, political moderation, and enhanced economic linkages with the U.S.

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