

WebMemo



Published by The Heritage Foundation

No. 3195
March 17, 2011

President Obama's Visit to Latin America: Democracy, Trade, and Security First

Ray Walser, Ph.D.

Between March 19 and 23, President Obama will embark on a rapid visit to Brazil, Chile, and El Salvador. This is his first visit to South or Central America as President. Despite considerable fanfare, the trip comes at an awkward time, when global attention is riveted on the tragedy in Japan and continued unrest in the Middle East, particularly Libya's brutal civil war.

President Obama hopes to capitalize on his personal popularity in the region to focus on what the White House views as an opportunities agenda. Obama must balance popularity, soft power, and a vision of a democratic, prosperous, and secure Western Hemisphere against a record of modest achievements and persistent differences over issues, such as Cuba, Honduras, Hugo Chavez, and Iran. The White House's hope of signaling a significantly new, more equal U.S.–Latin American partnership should be tempered by recognition of budgetary and legislative constraints. Decreasing foreign assistance, skyrocketing deficits, inaction on free trade agreements and immigration reform, and partisan divisions in Congress reflect the weaker domestic underpinnings of U.S. policy for the region.

Brazil. Brazil, which is larger in land size than Australia and almost as large as Europe, has one of the world's largest economies. Its economy grew at 7.5 percent in 2010. When President Obama meets with Brazil's first female president, Dilma Rouseff, it will bring together the democratic leaders of more than 500 million citizens. The March 19 visit to Brasilia will do much to set the tone for future U.S.–

Brazil relations. Under the previous president, Luiz Inacio Lula da Silva, Brazil's leadership tended to blame the U.S. for everything from the 2008 global economic crisis to war-mongering against Iran. A sense of friction developed between “rising Brazil” and “a declining U.S.” with growing reservations about Brazil's readiness to play the role of responsible international stakeholder.

Issues for discussion are complex and require sustained and mature U.S. leadership to resolve. The conversation will likely require the President to formulate responses to Brazil's quest for a permanent U.N. Security Council seat and expanding role within South America's regional body, Union of South American Nations (UNASUR). Haiti, Honduras, and the Organization of American States are key issues to be managed in a multilateral context.

Obama should encourage President Rouseff to work with, not against, the U.S. on global issues, such as democracy and human rights in the Middle East and finding common ground for curbing Iran's bid for a nuclear weapon. Cementing a U.S.–Brazil strategic partnership will require addressing nuts-and-bolts issues from technology transfers, space and nuclear cooperation, and tax information

This paper, in its entirety, can be found at:
<http://report.heritage.org/wm3195>

Produced by the Douglas and Sarah Allison
Center for Foreign Policy Studies

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

Nothing written here is to be construed as necessarily reflecting
the views of The Heritage Foundation or as an attempt to
aid or hinder the passage of any bill before Congress.

exchanges to the removal of the U.S. tariff on sugar cane ethanol and actions to reduce U.S. agricultural subsidies.

Chile. Relations with Chile are rock solid. A nation of 16 million, Chile is en route to becoming a developed country. Chile has benefitted extensively from the 2002 free trade agreement with the U.S. but also enjoys similar arrangements with more than 50 other trade partners. Pursuing a macroeconomic course originally mapped out by free-market economists trained at the University of Chicago, Chile today has earned the highest standing among Latin American nations in The Heritage Foundation/Wall Street Journal's *Index of Economic Freedom*.

Chile wants sustained U.S. attention to mutually beneficial efforts that support quality education, technology and energy cooperation, and emergency preparedness. President Sebastián Piñera, a successful entrepreneurial leader, can demonstrate to the President how macroeconomic prudence, free-market policies, and limited government can reduce poverty and lower inequality.

El Salvador. El Salvador's historic and demographic links with the U.S. run deep. Since the Reagan Administration, the U.S. has invested substantially in building a democratic center in this poor and often polarized nation. From membership in the Central America Free Trade Agreement to receipt of the largest Millennium Challenge compact in the Americas, El Salvador has been a close partner of the U.S.

Elected to lead the leftist Farabundo Marti Liberation Front (FMLN), President Mauricio Funes has pursued a pragmatic course and eschewed an alliance with Hugo Chavez. He faces a wide range of challenges, from poverty and low economic growth to criminal gangs and a pandemic of violence. He looks to President Obama for a more comprehensive Central American crime and anti-drug strategy and help on immigration issues. The President needs to exercise care so as to not overpromise on immigration or commit to steps that might impede or politicize remittance flows from the U.S.

Democracy, Trade, and Security

President Obama is meeting with presidents who have solid democratic credentials. Nevertheless,

these same presidents tend to guard their words when faced with anti-democratic actions in Nicaragua or Venezuela or the absence of democracy in Cuba. The Inter-American Democratic Charter (2001) clearly states that democracy is more than elections and requires that democratically elected leaders govern democratically. President Obama cannot visit the region without articulating this central truth and renewing the U.S. commitment to strengthening democratic institutions and defending individual rights.

Latin America's recent advances are based primarily on trade and investment and less on foreign assistance or statist interventions. Since November 2010, President Obama appears to have rediscovered, at least rhetorically, the importance of trade, investment, and private-sector growth as the critical engines for U.S. economic recovery. He appears ready to play catch-up while in Latin America. Many, however, want to see if he will have a fresh sense of commitment and follow-through when he returns to Washington on March 23.

Drugs, crime, and the persistent threat of terrorism undermine the well-being of much of the region. Concern for crime outpaces unemployment as a public worry according to public opinion surveys. High homicide rates in Brazil and El Salvador exact a terrible human toll. Localized and transnational criminal organizations drag down economic growth and undermine competitiveness. Peace and prosperity in the region can also be adversely impacted by conflict in the Middle East, nuclear proliferation by Iran, or international terrorism. Defending U.S. security interests in the region requires the President to raise these issues when he travels.

While in Latin America, President Obama needs to send clear messages in four vital areas:

1. **Democracy.** The President must not waffle on the importance of representative democracy, and he should make clear that existing defenses of democratic institutions and practices are in disrepair and require an overhaul. He needs to state clearly that pseudo-democratic authoritarianism and Cuba's communist regime lower the democratic standard in the Americas. He must urge his democratic counterparts to break their silence when democracy is threatened.

2. **Trade.** The period of U.S. inaction must end. The White House should commit to send pending free trade agreements with Colombia and Panama to Congress this year for passage. Fresh ideas and proposals on trade—from the Trans-Pacific Partnership to closer links with the Common Market of the South (MERCOSUR)—need to be welcomed.
3. **Security.** The President should muster support for a well-funded and comprehensive drug and crime strategy for the Americas. He must urge our neighbors to play an equally constructive role in addressing these threats. The U.S.–Latin American security dialogue should also include forceful responses to global threats posed by international terrorism and WMD proliferation.
4. **Innovation and Education.** The future of the Americas depends on innovation to provide the tools for development, technological change, and broad-based prosperity. Without access to

quality education, innovation is impossible. The President should concentrate assistance efforts on developing a broader public-private educational initiative. This would focus on acquiring the learning and research capacity appropriate to meet the needs of the 21st-century global economy.

Strengthening Relationships. The President's trip is an important symbol of the continued need for strong U.S.–Latin American cooperation. President Obama must use his visit to cement personal ties to the region's democratic leaders, build public and private confidence in strong U.S. international leadership, and rediscover the foundations for a bipartisan U.S. policy at home.

—Ray Walser, Ph.D., is Senior Policy Analyst for Latin America in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation.