

# WebMemo



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## U.S.–Colombia Free Trade Agreement: Will the U.S. Miss a Historic Opportunity?

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Now that the Colombia Free Trade Agreement (FTA) has moved from the executive to the legislative branch for debate and pending passage, Members of Congress should reflect on the historic significance of their vote and its implications for advancing U.S. national interests and preserving long-term international leadership. Passage of the FTA represents a historic opportunity for at least six reasons.

**1. Advance U.S. Jobs and Exports.** Colombia has the third-largest economy in the Western Hemisphere south of Mexico. The FTA would quickly grow U.S. exports by \$1.1 billion, adding thousands of new jobs, and give the U.S. enhanced access to Colombia's services market and growing energy sector. It would allow the U.S. to remain competitive.

In contrast, failure to pass the FTA for fear of endangering small producers in Colombia would merely allow other global competitors such as Canada, China, or the European Union to fill the void. Should Congress fail to act, U.S. exporters will continue to face an average tariff of more than 9 percent, while many products from other countries will enter duty-free. Our competitors will not face the same constraints.

**2. Support Colombian Democracy.** The battle for democracy in Colombia is ongoing. Representative democracy and the system of checks and balances keep Colombia from sliding in the authoritarian direction that is fashionable in Venezuela or Nicaragua. President Juan Manuel Santos enjoys a high degree of democratic legitimacy and remains committed to strengthening the rule of law. Colom-

bia's active judiciary has shown neither fear nor favor in scrutinizing official misbehavior. Recent actions against former officials of the Uribe government and the sitting mayor of Bogota, for example, demonstrate that no Colombian is above the law. The campaign against impunity continues like nowhere else in Latin America.

Amidst the support for democracy, however, Colombia has its share of difficulties. Violence against Colombian trade unionists is deplorable and must end. It is not, however, the result of deliberate government policy. The April 2011 Action Plan on protecting labor rights in Colombia has now become a cornerstone agreement between the parties, and the Obama Administration has confirmed that "Colombia has met all its Action Plan milestones to date."<sup>1</sup>

**3. Strengthen Democratic Security.** The historic roots of violence in Colombia are deep and complex. The major drug cartels symbolized by Pablo Escobar's Medellin Cartel have been defeated, but smaller criminal organizations persist, often linked with Mexican cartels.

The campaign of the Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN) to install a Cuban-style insurgency

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in power has been defeated, but residual forces of this deep-rooted insurgency plague the countryside, drawing profits from the narcotics trade, kidnapping, extortion, and the forced recruitment of child soldiers. Paramilitaries aligned with the Colombian right have largely been disarmed, but violent successors perpetrate fresh crimes. Military and law enforcement strategies aimed at preserving state control of national territory and the foundations of “democratic security” continue to evolve. Colombia must shoulder a greater share of the costs as the U.S. assistance budget shrinks.

President Santos advanced and Colombia’s Congress approved a Victim’s Law that sets the ambitious goal of land restitution for nearly 4 million victims of internal conflicts and will require \$20 billion or more. Genuine security requires fair mechanisms of justice, robust security and law enforcement agencies, and resources to provide proper compensation. Generalized peace will not be achieved without a growing Colombian economy that is able to expand the resource pie sufficiently to meet the aspirations of all social sectors and bring combatants and criminals into a civilized society.

**4. Guard Inter-American Security.** Latin America poses challenges to U.S. national security. Terrorists could use Latin America as a launching pad for international operations, or a hostile power like Iran could use it as a staging area. However, for now, the gravest security challenge in the Americas remains the threat posed by transnational criminal organizations. In violence-wracked Mexico and Central America, we see national leaders looking to experienced Colombian security professionals and the Colombian model for clues to defeating organized crime and narco-terrorism.

To its credit, Colombia has gone from “being a consumer of security to being a provider of security and support for others who face even greater challenges.”<sup>2</sup> Colombia continues to register significant

gains in coca reduction. Overall, Colombia remains central to promoting stability and security throughout the Americas.

**5. Support a U.S. Ally in a Tough Neighborhood.** Two of Colombia’s neighbors belong to the new wave of anti-American socialism of the 21st century that aspires to undercut free markets and individual liberty by achieving ideological ascendancy in the Americas. Venezuela, under authoritarian populist president Hugo Chavez, and Ecuador, under its erratic and increasingly autocratic president Rafael Correa, are banking on the FTAs failure, loss of U.S. leadership, and bilateral frictions to enhance their ability to lure Colombia away from its strong relationship with the United States. China, Russia, and Iran will be happy to court Colombia.

As a bridge between its U.S. ally and South American nations, Colombia is positioned to play a responsible and productive role within the emerging community of South American nations (UNSAUR). It could act, along with Chile and possibly Peru, as a democratic and free-market counterweight to the Chavistas and to increasingly independent Brazil while playing the role of confident host for the next Summit of the Americas in Cartagena, Colombia, in April 2012.

**6. Consolidate Free Trade Partnerships from Chile to Canada.** Passage of the FTAs with Colombia and Panama would mean that the entire Pacific coast of North and South America, with the exception of Ecuador, would have a free trade relationship with the U.S. This vital trade architecture could serve as a conceptual stepping-stone to further trade initiatives such as the Trans-Pacific Partnership.

**Writing the Next Chapter in U.S.–Latin American Relations.** The next few weeks are critical to defining the direction of U.S.–Latin American policy. Failure to pass the Colombia Free Trade Agreement (and the Panama and South Korea Free Trade Agreements) would be interpreted, both in the Americas

1. Undated fact sheet, “Leveling the Playing Field: Labor Protections and the U.S.–Colombia Trade Promotion Agreement,” The White House, at [http://www.whitehouse.gov/sites/default/files/09302011\\_labor\\_protections\\_and\\_the\\_colombia\\_trade\\_agreement.pdf](http://www.whitehouse.gov/sites/default/files/09302011_labor_protections_and_the_colombia_trade_agreement.pdf) (October 6, 2011).
2. James B. Steinberg, Deputy Secretary of State, “Remarks to the Center for Strategic and International Studies Colombia Conference,” June 13, 2011, at <http://www.state.gov/s/d/former/steinberg/remarks/2011/169295.htm> (October 6, 2011).

and globally, as a sign of diminished U.S. capacity to deliver on commitments and increased readiness to distance America from key strategic partners.

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