

The Post-American Hemisphere

Power and Politics in an Autonomous Latin America

Russell Crandall

ON AUGUST 18, 2010, a Venezuelan drug trafficker named Walid Makled was arrested in Colombia. U.S. officials accused him of shipping ten tons of cocaine a month to the United States, and they made a formal extradition request to try him in New York. Although the Venezuelan government had also made an extradition request for crimes Makled allegedly committed in Venezuela, senior U.S. diplomats were confident that the Colombian government would add him to the list of hundreds of suspects it had already turned over to U.S. judicial authorities in recent years.

So it came as a surprise when Colombian President Juan Manuel Santos announced in November that he had promised Venezuelan President Hugo Chávez that Makled would be extradited to Venezuela, not the United States. Colombia, Washington's closest ally in South America, appeared to be unveiling a new strategic calculus, one that gave less weight to its relationship with Washington. What made the decision all the more unexpected is that the U.S. government still provides Colombia with upward of \$500 million annually in development

RUSSELL CRANDALL is Associate Professor of International Politics at Davidson College and the author of *The United States and Latin America After the Cold War*. He was Principal Director for the Western Hemisphere at the U.S. Department of Defense in 2009 and Director for Andean Affairs at the National Security Council in 2010–11.

and security assistance, making Colombia one of the world's top recipients of U.S. aid. For the United States in Latin America today, apparently, \$500 million just does not buy what it used to.

Across the region in recent years, the United States has seen its influence decline. Latin American countries are increasingly looking for solutions among themselves, forming their own regional organizations that exclude the United States and seeking friends and opportunities outside of Washington's orbit. Some U.S. allies are even reconsidering their belief in the primacy of relations with the United States. Much of this has to do with the end of the Cold War, a conflict that turned Latin America into a battleground between U.S. and Soviet proxies. Washington has also made a series of mistakes in the years since then, arrogantly issuing ultimatums that made it even harder to get what it wanted in Latin America.

At the same time as U.S. influence has diminished, Latin America's own capabilities have grown. The region has entered into an era of unprecedented economic, political, and diplomatic success. Most visibly, Brazil has emerged as an economic powerhouse, attracting foreign investment with an economy that grew 7.5 percent last year. (Regionwide, average GDP growth last year was 5.6 percent.) Regular free elections and vibrant civil societies are now commonplace in Latin America, and the region's diplomats are more visible and confident in global forums than ever before. After decades on the receiving end of lectures from Washington and Brussels, Latin American leaders are eager to advertise their recent gains. Santos has been known to tell visiting foreign counterparts that this will be "Latin America's century."

Although star performers such as Brazil and Chile have recently surged ahead, Latin America has yet to realize its full collective diplomatic and political capacity. The problems that have plagued the region in the past—income inequality, a lack of law and order, illicit trafficking networks—still exist, threatening to derail its hard-earned successes. Guatemala, to take just one example, not only ranks among the world's poorest countries; it also has one of the highest homicide rates in the world, with 6,000 people murdered each year in a population of only 13 million.

Ironically, moreover, Latin America's entry into a "post-hegemonic" era, a product of its own advancements, could undermine its past

progress. As the balance of power in the region is redistributed, unexpected alliances and enmities could arise. Many observers have assumed that less U.S. involvement would be an inherently positive development, but that may be too optimistic. No one should underestimate the capacity of the Venezuela-led bloc of quasi-authoritarian leftist governments to stop the regional trend toward greater openness and democracy—values that the bloc sees as representing a capitulation to the U.S.-controlled global system.

Nonetheless, Latin America's emerging democratic consensus seems inevitable, and as its strategic posture finally matures, the region will be more directly responsible for its own successes and failures. Long Latin America's master, the United States must adapt to the new realities of this post-hegemonic era, lest it see its influence diminish even further. It must demonstrate an ability to quietly engage and lead when appropriate—an approach that will allow Washington to remain actively involved in the region's affairs without acting as though it is trying to maintain its legacy of hegemony. Given how accustomed the United States is to dominating the region, this project will be harder than it sounds.

FROM HEGEMONY TO AUTONOMY

THE ERA of U.S. hegemony in Latin America began over a century ago, when the United States started flexing its emerging economic and military might in Central America and the Caribbean. In the jungles and mountains of Nicaragua, Haiti, and the Dominican Republic, American soldiers and diplomats used persuasion, coercion, and force to advance U.S. political and economic interests. During the Cold War, Washington sought to stem the threat of Soviet and Cuban communism, acting directly, for example, when it invaded Grenada in 1983 and Panama in 1989, and indirectly, as when it provided covert funding to undermine Chilean President Salvador Allende's leftist government in the 1970s. Sometimes these efforts worked, as in Chile and Grenada, but often they did not; both the Bay of Pigs operation in 1961 and U.S. efforts to overthrow by proxy the Sandinista regime in Nicaragua in the 1980s were outright failures.

For much of the twentieth century, there was a disconnect between Washington's lofty rhetoric of democracy and regional harmony and its demonstrated willingness to jettison these principles when its

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economic or geopolitical interests were at stake. Even after the Cold War, the United States was accused of peddling its "Washington consensus" of laissez-faire economic policies, such as the privatization of state-owned assets and free-trade agreements, as a sort of neoimperialism. Instead of U.S. marines or CIA agents, blame for doing the empire's bidding was now pinned on the "technocratic imperialists" from the World Bank, the International Monetary Fund, and the U.S. Treasury Department.

Yet over the past decade or so, the United States' willingness and ability to exert control in the region have diminished. This has occurred in part because more important issues, including the wars in Afghanistan and Iraq, have forced Latin America down the policymaking food chain. But there is also the indisputable reality that the region itself is now more confident acting on its own. For the most part, this was inevitable, given the end of external and local communist challenges and the shift to an increasingly multilateral world that had room for new powers. Latin America's greater autonomy is both a cause and a result of decreased U.S. influence.

The United States' relationship with Bolivia provides one example of Washington's declining power in the region. Believing that it was time to pay back the Americans for their years of backing his political opponents, Bolivian President Evo Morales expelled the U.S. ambassador and the U.S. Drug Enforcement Administration in 2008 and suspended U.S.-funded democracy programs the following year. A decade or so ago, when Bolivia was a faithful client of the United States, it would have been unimaginable for a Bolivian government to even consider such acts, given the diplomatic and financial consequences of provoking Washington's ire. Yet even the ostensibly hard-line George W. Bush administration responded to Morales' repeated diplomatic insults largely with silence. Morales had gone eyeball to eyeball with Washington and lived to tell about it.

In the late 1980s and 1990s, after decades of rule by military dictatorships, the countries of Latin America became part of the “third wave” of democratization that was then washing across the globe. Yet the region struggled to convert democratic practices, such as open elections, into lasting democratic institutions, such as independent judiciaries. Meanwhile, economic instability, including chronic bouts of hyperinflation, made many Latin Americans wonder if they had not been better off under the relatively enlightened *mano dura* (strong hand) regimes of the past. Even in the 1990s, when Latin America finally began to slay inflation and replace it with impressive macroeconomic stability, countries had difficulty translating this into lasting social gains for the entire population. At times, Latin Americans used their newfound electoral power to elect “democratic populists,” such as Venezuela’s Chávez and Peru’s Alberto Fujimori, who often governed in autocratic ways.

In recent years, however, Latin America’s growth has begun to translate into more prosperous and developed societies. In countries as disparate as Brazil, Mexico, and Peru, the benefits of democracy and open markets are now finally beginning to trickle down to a citizenry that had lost faith in elected governments. This socioeconomic prosperity, in turn, is legitimizing the democratic system—a sort of virtuous cycle in a region more accustomed to vicious ones. Despite what the fiery rhetoric of leaders such as Chávez might indicate, in today’s climate, Latin Americans want results, not blame. Armed revolution is now dead in the region that was once its cradle. In its stead, the region now has a new brand of leaders who have taken office through the ballot box and have striven to provide education, security, and opportunities for their constituents. Human capital and economic competitiveness, not rote anticapitalist slogans, are what occupy the thoughts of these politicians. They point proudly to the fact that 40 million Latin Americans were lifted out of poverty between 2002 and 2008, a feat accomplished largely through innovative and homegrown social programs.

It has long been said that when the United States catches a cold, Latin America catches the flu. This has certainly been true in the economic realm, where jitters in the U.S. economy could quickly undermine Latin America’s chronically weak financial and fiscal

fundamentals. But during the recent global economic crisis, Latin America remained relatively unscathed. At the time, many predicted that Latin American governments—especially leftist ones suspected of being more predisposed to fiscal profligacy—would turn to the seductive tonic of populism. But leftist governments in Brazil, Chile, and Uruguay, to name a few, responded to the crisis with prudence. They refused to abandon market-friendly policies such as flexible exchange rates, independent central banks, and fiscal restraint. Some countries, such as Brazil and Peru, even continued to grow at almost China-like rates.

In the past, when Latin America was in economic trouble, outsiders prescribed bitter medicine, such as severe fiscal austerity measures. In the last several years, however, the region has shown that it can address its own problems, even exporting its solutions globally. There is no greater example of the region's autonomy in economic policymaking than Brazil's Bolsa Família or Mexico's Oportunidades, conditional cash-transfer programs that give money to poor families if they meet certain requirements, such as enrolling their children in school. As the World Bank has noted, Bolsa Família targets the 12 million Brazilians who desperately need the assistance; most of the money is used to buy food, school supplies, and clothes for children. The program is also credited with helping reduce Brazil's notoriously high income inequality. The Brazilian and Mexican efforts have been widely emulated outside the region, including in the United States. Another example is Chile's creation of a rainy-day fund, filled with national savings from the country's copper production. This \$12.8 billion account gave Chile a level of policy flexibility during the recent global economic downturn that the United States and many other industrial economies could only envy. As Latin America's achievements suggest, the region is growing up fast.

POWER PLAYS

LATIN AMERICA'S economic growth and political stability are driving an unprecedented power shift within the region. Countries are reassessing their interests and alliances, and the more confident among them are flexing their muscles. Instead of looking to Washington for guidance,

Latin American countries are increasingly working among themselves to conduct diplomacy, pursue shared objectives, and, at times, even spark new rivalries.

Brazil's emergence as a serious power is a direct result of the increasing absence of U.S. influence in the region. Sensing an opportunity to gain the regional stature that has long eluded it, the country has begun to act more assertively. But complicating Brazil's power play is the reaction from its fellow Latin American nations. Colombian, Mexican, and Peruvian officials, among others, talk privately about their dislike of Brazil's arrogant diplomacy. In some quarters, Brazil's responses to developments such as Chávez's ongoing assault on Venezuela's democracy and even the 2009 coup in Honduras have undermined its credibility as a serious leader. (Brasília's reluctance to speak out for hemispheric democracy is particularly inexcusable for a government that includes many officials who suffered under the successive military regimes of the 1960s, 1970s, and 1980s.) Many Latin American officials quietly reveal that they are not eager to see Brazil replace the United States as the hemisphere's hegemon. As one diplomat recently put it, "The new imperialists have arrived, and they speak Portuguese."

Yet Brazil is learning that leadership means responsibility. Relations with its neighbor Bolivia are a case in point. After the U.S. Drug Enforcement Administration was kicked out of Bolivia, Brasília belatedly realized that Bolivia's cocaine exports—most of which are destined for Brazil, Argentina, or Europe—represented a serious challenge and so stepped up its counternarcotics cooperation with Bolivia. Fortunately, the United States and Brazil are eager to work together on counternarcotics. Bolivia will be a key test of this cooperation—made all the more important by the bitter diplomatic flap that erupted in May 2010 between U.S. President Barack Obama and then Brazilian President Luiz Inácio Lula da Silva over the Iranian nuclear deal brokered by Brazil and Turkey.

Colombian leaders are also aware of the shifting balance of power within Latin America. With the recent departure of the inimitable

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Lula, whose charisma and presence overshadowed the efforts of other Latin American leaders, Santos now believes his government can assume the mantle of regional leadership by adopting a more balanced foreign policy, one less dependent on Washington. Although Santos has no desire to do away with his country's long-standing closeness to the United States, he understands that Colombia's credibility is now more dependent on its ability to cooperate with other regional governments, most important of all, Brazil's.

Further evidence of Colombia's diplomatic and strategic maturity can be found in the way it has begun exporting its counterinsurgency and counternarcotics expertise to places as far away as Afghanistan. For almost half a century, the Colombian government has waged a bloody war against the Revolutionary Armed Forces of Colombia, or FARC. But it has been only in the past several years that the Colombian state, backed by billions of dollars in U.S. assistance, has gained the upper hand. Overwhelmed by this fight until recently, Colombia's security forces now use their hangars and equipment to train pilots from Mexico and Peru and counternarcotics operatives from Afghanistan.

As Latin America comes into its own, it is beginning to rely more on its own multilateral bodies. For the past 60 years, the Organization of American States, headquartered in Washington, has struggled to gain credibility in the region, as critics saw it as a guise for U.S. domination. In recent years, however, it has codified the primacy of democracy in its guiding principles—an important development suggesting that OAS members now consider democracy a shared goal as opposed to a foreign imposition.

Meanwhile, in 2008, Brazil helped create the Union of South American Nations, or UNASUR, which Brazilian leaders quietly hope will replace the OAS as the default regional body in South America. But so far, its record has been mixed. To date, UNASUR has prioritized regional integration and solidarity over promoting democratic practices. And much to the chagrin of some in Brasília, the OAS demonstrated its importance when it helped coordinate the regional diplomatic response following the coup in Honduras in 2009, an effort that likely staved off even greater strife in the country. The OAS also renewed its relevance during its General Assembly meeting that same year, when a debate regarding Cuba's 1962 suspension from the body produced a

consensus that Cuba's return to full membership should depend on its transition to democracy. The seemingly moribund organization has shown some surprisingly gritty determination, but there is new competition in the neighborhood.

THE SPOILERS

WITH THE end of U.S. hegemony in Latin America, the region's authoritarians—Venezuela's Chávez, Cuba's Fidel and Raúl Castro, and Nicaragua's Daniel Ortega—have taken the opportunity to expand their own influence. Chávez, the Castro brothers, and Ortega form part of the Bolivarian Alliance for the Americas (ALBA), a band of leftist governments led by Venezuela. Contending that Latin America remains shackled by the imperial United States and its lackeys at the World Bank and the International Monetary Fund, members of this group remain committed to a nonaligned diplomacy and seek friendships with the governments of such countries as Iran, Russia, and, to some extent, China. With the United States less involved in the region, the ALBA bloc will continue to play its cherished role as diplomatic spoiler and its members will face far fewer constraints on how radically they transform their societies.

Take Bolivia, whose military recently declared itself “socialist, anti-imperialist, and anticapitalist.” This declaration is no surprise, given that the Bolivian government has gone to great lengths to reduce U.S. influence in the country, especially in the armed forces. Cuban and Venezuelan military advisers have replaced U.S. ones. The consequences of such a shift within Bolivia's military will not be known for a while, but it is unlikely to be good for Bolivia's fledgling democracy.

Thus far, the Chávez-led spoilers have been enabled by their more democratic counterparts. Although the democratic leaders enjoy the benefits of elections, a free press, and other signs of democratic vigor in their own countries, they are unwilling to confront other governments that undermine such rights. Many of the otherwise impressive leftist democratic governments in the region, such as those of former Chilean President Michelle Bachelet and Lula, have been wary of raising the subject, especially regarding Cuba and Venezuela. These leaders and others like them have been reluctant to speak out because they still

share some sort of revolutionary solidarity with Chávez and the Castros and they remain overly sensitive to concerns about violating another nation's sovereignty.

But these diplomatic spoilers have proved to be the biggest losers in Latin America's realignment. The Chávez model, inherited from Fidel Castro, sees the United States and global capitalism as permanent adversaries. Nothing hurts this approach more than when other Latin American governments, especially leftist democratic ones, opt for and succeed with capitalist, democratic, or U.S.-friendly policies. Indeed, the bloc has ended up enjoying less regional support than its members hoped for. A case in point is the drama surrounding a November 2010 OAS resolution that called for all Costa Rican and Nicaraguan military and security personnel to leave a disputed area on their countries' shared border. In a resounding defeat for the ALBA bloc, which wanted to isolate Costa Rica and the United States by outmaneuvering them diplomatically, 21 countries voted in favor of the resolution, and only four (including Venezuela and Nicaragua) voted against it.

Meanwhile, some external actors are taking advantage of Latin America's newly permissive environment as well. Iran, Russia, and China have all significantly increased their economic and political footprints in the region. Tehran is seeking to reduce its diplomatic isolation, and Moscow is mostly looking for markets for its weapons industry. Beijing, by far the most significant outside player, is principally concerned with obtaining natural resources. In 2005, it imported over \$21 billion worth of goods from Latin America; in 2008, that figure was \$71 billion. China has also increased its military engagement with the region, expanding military exchanges and selling sophisticated military equipment. That said, Beijing has generally been cautious in its diplomatic and military outreach, preferring to focus on the more mundane issue of purchasing raw materials.

LETTING GO OF LATIN AMERICA

IN HIS first term, U.S. President George W. Bush adopted a heavy-handed, unilateral approach to Latin America, attempting to force governments there to approve the U.S. invasion of Iraq and ensure U.S. soldiers' exemption from the jurisdiction of the International

Criminal Court. This strategy backfired, and many governments, including traditional U.S. partners such as Chile and Mexico, refused. So in his second term, Bush attempted a more conciliatory approach, for instance, cultivating a personal relationship with the leftist Lula. But it was too little, too late; Chávez and other radicals still played up Bush's reputation as a bully. After Obama took office, however, it became much harder to use the U.S.-bashing strategy. In April 2009, at the Summit of the Americas in Trinidad, Obama tried to put his imprimatur on Washington's Latin America policy, emphasizing mutual respect and outlining a vision of equal partnerships and joint responsibility. His deferential yet serious style quickly put the most conspiratorial anti-U.S. critics, such as Chávez, Morales, and Ortega, on the defensive—where they have remained ever since.

The United States' enhanced image should not be dismissed as a mere public relations victory; rather, it is indispensable to restoring Washington's influence in Latin America, since it makes it easier for willing governments to cooperate with Washington on shared priorities without appearing to be subservient to the old hegemon. Obama's approach to the region can be seen as a more concerted continuation of the one Bush adopted in his second term, emphasizing responsibility as a prerequisite for cooperation and leadership—an implicit call for Latin America to solve its own problems. Other than focusing on Mexico's drug violence, the Obama administration has not made Latin America a priority. This may not be so bad: a little breathing room is appropriate, given the region's current stability.

Having recast the mood of the relationship between the United States and Latin America, the Obama administration must now figure out how to put its strategy into practice. It will need to show what strategic patience and understated leadership actually look like. A critical test of that is Mexico, a country sorely in need of U.S. assistance to combat its drug violence. Yet Mexico's deeply ingrained suspicion of U.S. motives means that any initiatives to counter this cross-border threat must be pursued delicately, lest Washington find itself

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accused of violating Mexico's sovereignty yet again. The Obama administration also needs to resist the temptation to allow strategic patience to slide into neglect. And it remains to be seen whether it will invest time in Brazil and other "noncrisis" cases when so much of Washington's already limited attention has been occupied by Haiti, Honduras, and Mexico.

The good news is that the United States enjoys robust partnerships with governments of all political stripes in the region—with conservative governments in Chile, Mexico, and Peru as well as more leftist ones in Brazil, El Salvador, and Uruguay. Despite occasional bilateral tensions, the United States and Brazil are cooperating more than ever before in areas including military relations, counternarcotics, energy, and the environment. And as the U.S. government's impressive response to Haiti's earthquake in January 2009 demonstrated, the United States can provide diplomatic and military public goods that no other hemispheric power, not even Brazil, can match.

Of course, some in Washington are still adjusting to letting go. In Congress, influential Republicans are itching to return to a more confrontational stance toward the region, particularly regarding Cuba and Venezuela. What these conservatives do not fully understand, however, is that alarmist responses to assaults on democracy and human rights in the region only play into the hands of those such as Chávez and the Castro brothers, who thrive on what they spin as imperialist barbs. More subtle responses thus may prove more effective.

The United States' desire to let others lead will be tested the most when it comes to Brazil. As the country emerges as the new neighborhood police officer, Washington must engage Brasília aggressively in order to help ensure that it plays this role in accordance with U.S. interests. In general, U.S. officials are eager to see Brazil assume more regional responsibility, but they may find it hard, for example, to actually sit back and watch the Brazilians build up UNASUR as a rival to the more U.S.-influenced OAS. The same is the case when it comes to Colombia, where Santos' bold multilateral agenda has unsettled those in the U.S. government used to a more traditional patron-client relationship with Bogotá.

Meanwhile, although Latin America may have entered a post-hegemonic era, that does not mean it is entirely secure. Despite all the

progress, Latin America remains a region in which countries still openly threaten war with one another. Just last year, Chávez did exactly that after Bogotá accused him of giving refuge to Colombian narcoterrorists. Latin American countries' unpredictable behavior and ambivalence toward U.S. leadership will make it difficult for Washington to maintain strategic patience.

After witnessing the acerbic diplomatic impasse over Honduras, when Brazil opposed U.S. plans for new presidential elections to solve the political crisis there, one might think that the region largely wants Washington to stay uninvolved. Yet the behind-the-scenes reality is that most Latin American governments actually appreciate robust U.S. attention and even leadership—as they in fact did during the Honduran crisis. Most leaders in the region realize that Latin America and the United States share the same interests and goals, and they understand that cooperation is indispensable. They know full well that their gains remain precarious, that it could take only one economic crisis or political row to send the region spiraling back to the old days of instability. Yet whatever happens in Latin America's future, its gains and failures will be caused by its own hand. 🌐