THE OBAMA ADMINISTRATION *and the* AMERICAS

Agenda for Change

Abraham F. Lowenthal, Theodore J. Piccone,
and Laurence Whitehead, *Editors*

The Obama Administration and the Americas

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BROOKINGS INSTITUTION PRESS
Washington, D.C.

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THE BROOKINGS INSTITUTION
1775 Massachusetts Avenue, N.W., Washington, D.C. 20036
www.brookings.edu

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Library of Congress Cataloging-in-Publication data
The Obama administration and the Americas : agenda for change / Abraham F. Lowenthal, Theodore J. Piccone, and Laurence Whitehead.
p. cm.
Includes bibliographical references and index.
Summary: "Argues that the Obama administration should focus early and strategically on Latin America because of its impact on issues from energy, narcotics, and immigration to trade and jobs. Contributors emphasize case-by-case, sophisticated, and multilateral approaches to dealing with such hard cases as Bolivia, Colombia, Cuba, Haiti, Mexico, and Venezuela"—Provided by publisher.
ISBN 978-0-8157-0309-9 (pbk. : alk. paper)
1. United States—Foreign relations—Latin America. 2. Latin America—Foreign relations—United States. 3. United States—Foreign relations—2009– 4. Obama, Barack. I. Lowenthal, Abraham F. II. Piccone, Theodore J. III. Whitehead, Laurence.
JZ1480.A53.O23 2009
327.7308—dc22 2009000893

9 8 7 6 5 4 3 2 1

The paper used in this publication meets minimum requirements of the American National Standard for Information Sciences—Permanence of Paper for Printed Library Materials: ANSI Z39.48-1992.

Typeset in Minion and Univers Condensed

Composition by Peter Lindeman
Arlington, Virginia

Printed by R. R. Donnelley
Harrisonburg, Virginia

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Foreword

The Obama administration faces a difficult legacy when it comes to U.S. relations with its neighbors to the south. Often neglected, or other times viewed through the lens of global struggles against communism, terrorism, or narcotics, the Latin America and Caribbean region has not received the kind of attention it deserves. Looking ahead, if viewed only as a function of the urgent, the countries of the region are likely not to make the list of top priorities for the new president. Yet such a "top ten" approach would sell short our own stake in a prosperous, secure, and democratically stable hemisphere.

Fortunately, the Obama administration has a number of policy opportunities in the region that are ripe for prompt advance. Our neighbors in the Western Hemisphere share core values and interests with the United States. They also share an agenda of concerns that, in the era of globalization, can best be tackled together: the need to preserve and create jobs in the face of the global economic downturn; expand growth and trade; reduce poverty and inequality; combat organized crime and drug trafficking; protect the environment and reverse climate change; develop sustainable energy resources; manage migration flows; and strengthen international institutions of governance. On all these important issues, many Latin American countries have important roles to play, and they share many of the fundamental interests of the United States. At the same time, Latin American countries that are natural partners of the United States have been expanding their relations with

other powerful countries. New leaders antagonistic to the United States are cultivating approaches that undermine U.S. interests and erode the prospects for inter-American cooperation.

It is in this context that the Brookings Institution decided last year to launch a Latin America Initiative, directed by Mauricio Cardenas, aimed at exploring the main challenges in the Americas and how U.S. policies might be improved to help confront these effectively. We felt that the time had come to focus more of the resources and talent at Brookings on identifying and understanding opportunities for cooperation and progress in the Americas.

Our first major step in 2008 was to convene the Partnership for the Americas Commission to examine the important changes under way in the relationship between the United States and the hemisphere and to propose practical, forward-looking recommendations to secure a brighter future for all citizens of the Americas. Led by Ernesto Zedillo, former president of Mexico, and Thomas Pickering, one of America's top diplomats, the distinguished members of the commission, drawn from throughout the region and representing decades of experience in politics, diplomacy, business, research, and the media, defined and debated the critical challenges facing the hemisphere and what steps Washington should take to set a better course. The final report, *Rethinking U.S.–Latin American Relations: A Hemispheric Partnership for a Turbulent World*, addresses five key themes that the group felt could serve as common ground for securing better inter-American relations: developing sustainable energy resources and combating climate change; managing migration effectively; making hemispheric economic integration work for all; protecting the hemisphere from drugs and organized crime; and reforming U.S.-Cuban relations. We are pleased by the response this timely report has received not only in Washington but throughout the Americas.

This book, *The Obama Administration and the Americas: Agenda for Change,* represents a further contribution by Brookings to the reconsideration of United States–Latin American relations on a set of issues that was not taken up directly by the commission: whether and how the United States can effectively support the strengthening of democratic governance and the more consistent application of the rule of law in the Americas today.

We encouraged the authors and editors to focus on the issue of democracy for two important reasons: first, because the countries of the Americas share a normative preference for democracy even though many of them face major shortfalls in delivering effective democratic governance and the rule of law. The rise of populist authoritarianism, the strength of organized crime, the

corrosive effects of the drug trade, and the prevalence of gross inequalities and dire poverty all threaten the conditions for democracy. It is important to consider what can be done to reverse the deterioration of democratic institutions. The second reason is a sense that the democracy agenda has been tainted in recent years by aggressive U.S. attempts to export democracy, even by force. The authors in the collection, therefore, focused on hard cases for democratic governance in the Americas and set forth more nuanced policies that might be effective, if the Obama administration is ready to adopt a more patient approach to this long-term aim.

Indeed, the democracy and rule of law agenda remains an important item of unfinished business, particularly in countries facing internal tumult or repression. It also has a weighty presence in the substance and style of U.S. foreign policy itself, as noted in these chapters, and the way Washington conducts itself matters. Brookings, therefore, commissioned a series of papers by top experts from Latin America, Europe, and the United States to consider the democratic development questions that will demand the attention of the U.S. administration. These range from resolving the four-decades-long conflict in Colombia in a way that protects "democratic security," as President Uribe advocates, to the thorny question of whether to return the Guantánamo Naval Base to Cuba. In between, the impressive and diverse authors in this volume tackle big questions like improving the quality of Washington's limited attention to our relatively secure neighborhood, strengthening multilateral avenues for cooperation for democracy, bolstering fragile political change in Haiti, dealing with a controversial regime in Venezuela, navigating dramatic political change in Bolivia, and confronting the breakdown of the rule of law in Mexico. All attempt to treat their topics in real time, with practical and, in some cases, bold recommendations for President Obama and his team.

The three coeditors of this collection, each of whom made important contributions to the commission's deliberations, worked assiduously to ensure that the book's chapters reflected the most current issues of the day, while grounding their work in the great historical arc that has shaped U.S.–Latin American relations. The book's timing could not be better: as President Obama joins the thirty-three democratically elected leaders of the region in Port of Spain for the fifth Summit of the Americas in April 2009, they are challenged by a complex agenda and a turbulent economic environment. To navigate through the prevailing headwinds, the United States will need to take a fresh approach based on mutual respect and finding common ground

with our increasingly independent and globalized partners. These chapters provide a host of good ideas for how the Obama administration can do just that, by keeping an eye focused on the enduring goal of strengthening democratic institutions and the rule of law for the benefit of all.

Strobe Talbott
President
Brookings Institution

Washington, D.C.
February 2009

Preface

The Obama administration has inherited a daunting set of domestic and international policy challenges. It is coping with a cascading and interconnected series of financial and economic problems on a greater scale than any faced since the Great Depression of the 1930s. At the same time, it must handle a large accumulated legacy of other tough problems: two wars, the continuing threat of international terrorism, the proliferation of weapons of mass destruction, global climate change, an impasse in international trade negotiations and rising protectionist pressures, energy and food insecurity, and the ever more complex management of relations with the Middle East, Europe, Russia, China, the South Asian subcontinent, and sub-Saharan Africa.

It is unlikely, therefore, that the new U.S. administration will find much time to think about the countries of Latin America and the Caribbean. These Western Hemisphere nations do not pose an imminent security threat to the United States, nor are they likely to be the cause or target of significant international terrorism. At first blush, the countries of the Americas do not appear to be critical to resolving the most immediately pressing problems of U.S. foreign policy.

Latin American nations, meanwhile, are undergoing their own important changes. They are increasingly diversifying their international economic relations by weaving closer cooperation among themselves as well as deepening

trade ties with China, India, Russia, and Europe, making many of them less reliant on the United States. But this growing confidence and autonomy, in addition to regional progress in governance and economic development, suggest that some of Latin America's governments would likely be stable and effective partners if the United States could engage them in cooperative efforts to confront shared problems.

We believe that it would be very smart for the Obama administration to focus early and strategically on U.S. relations with Latin America and the Caribbean. The new administration should not promise to pay more attention to the region than it can deliver, nor should it offer soaring rhetoric about pan-American partnership that would inevitably fall short of expectations. Rather, the Obama administration should aim to improve the *quality* of the limited attention it can devote to the Americas. It should work with key Latin American nations to achieve progress on a few select and crucial issues that can be addressed soon, without investing enormous resources.

We make this central argument because we believe that Latin America's course will have a profound impact on the daily lives of U.S. citizens, on issues ranging from energy to narcotics, immigration to public health, global warming to trade and jobs. On all these issues, sustained and intimate cooperation from Latin American and Caribbean neighbors could make a critical difference to the United States, because of the high degree of interdependence that already exists in the Americas, especially between the United States and its closest neighbors to the south. We also believe that the countries of the Americas, to a high degree, share profound values, deep culture, and major core interests. Common commitments to democratic governance, market economies, social justice, and the rule of law establish the potential for genuine cooperation. We urge the Obama administration to recognize and seize upon this opportunity, understanding the diversity within the region but also its underlying shared aspirations and concerns.

This book began as a series of papers and memoranda commissioned for the Partnership for the Americas Commission, convened by the Brookings Institution and co-chaired by Ernesto Zedillo, former president of Mexico, and Ambassador Thomas Pickering, former U.S. under secretary of state. First drafts of the chapters by Abraham Lowenthal, Daniel Zovatto, and Laurence Whitehead (chapters 1, 2, and 13, respectively) were prepared for and discussed at the commission's first meeting, in May 2008. They were intended to provide broad perspectives by specialists from the United States, Latin America, and Europe on how the commission might approach its mandate to formulate recommendations for building a genuine partnership between the

United States and its southern neighbors. We are very pleased that the commission took our analyses and recommendations into account in developing the intellectual framework of its report, *Rethinking U.S.–Latin American Relations: A Hemispheric Partnership for a Turbulent World*. The commission chose to focus on five topics we emphasized as central: energy, migration, narcotics and crime, economic growth and trade, and the opportunity for a new approach to U.S. relations with Cuba. We highly recommend the commission's report for fuller discussion of these key issues.

In concentrating on these five important topics, the commission decided not to discuss two key questions we believe the Obama administration should consider: whether or not to continue the bipartisan emphasis of the past two U.S. administrations on efforts to support the consolidation of stable democratic governance and strengthen the consistent application of the rule of law in Latin America and the Caribbean; and, if so, how best to do so in Latin America's current circumstances. We think these questions deserve attention because of their substantive merits and historic importance, because of the special quality of the Americas as a region that shares a normative bias for democracy, and because the backlash from Iraq and other recent experiences, reinforced by the global economic crisis, may well swing the pendulum of U.S. policy and public opinion too far away from the long-standing commitment to use U.S. influence to nurture and support democratic governance.

With the support of Carlos Pascual, vice president and director of foreign policy studies at Brookings, and of Mauricio Cárdenas, senior fellow and director of its Latin America Initiative, we decided to put together a symposium volume that combines substantially revised and updated versions of the three original overview essays; a special essay by Theodore Piccone that advocates multilateral approaches to U.S. policies to strengthen democratic governance and a strong emphasis on international cooperation in this field; and contributions by highly qualified Latin American, North American, and European specialists on the half dozen most challenging cases for strengthening democracy and the rule of law in the Western Hemisphere today: Bolivia, Colombia, Cuba, Haiti, Mexico, and Venezuela.

Each of these six countries is unique and complex. All can be dealt with in practice only through policies tailored to their specific contexts. None provides easy opportunities for the United States to export its own institutions and practices. All will present the Obama administration with difficult policy challenges and choices. We believe these country case studies will help the administration, the U.S. Congress, nongovernmental organizations, and others better understand the real problems each country faces and the prospects

for positive external involvement. The chapters also underscore that the United States can still have meaningful influence in supporting democratic development in Latin America if it adopts patient, well-crafted, and multilateral approaches.

We are grateful to the Brookings Institution and its Latin America Initiative for the opportunity to prepare this volume; to Brookings Institution Press, especially Janet Walker and Katherine Scott, for handling the publication quickly so that the book would be available before the Summit of the Americas Conference in Trinidad in April 2009; and to Emily Alinikoff of the Foreign Policy Studies program at Brookings for outstanding work in managing this far-flung enterprise. Abe Lowenthal and Laurence Whitehead offer their special thanks to Melissa Lockhart and Jane Jaquette and to Sarah McGuigan and Alexandra Barahona de Brito, respectively—this volume would not have been produced without their help. We express special appreciation to all our fellow authors for responding positively to our requests for more precision in fewer words. This has been a genuine, enjoyable, and fruitful intercontinental collaboration.

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PART I

Overview

one

Renewing Cooperation in the Americas

Abraham F. Lowenthal

The Obama administration faces daunting challenges at home and abroad, the most demanding agenda that any U.S. government has inherited in many decades.

From the start it has had to cope with an economy in distress, reeling in the aftermath of the subprime mortgage meltdown, the broader financial turmoil, and the wider and deepening recession—while trying to prevent both the risk of rising inflation and the possibility of debilitating deflation. Beyond that immediate crisis, the new administration must deal with energy security, growing health care expenses, underfunded entitlements, the contentious impasse over immigration, and the massive fiscal and trade deficits. In the longer term, the new administration and Congress also must confront decaying infrastructure, inadequate K–12 educational performance, unprecedented rates of incarceration and the need for criminal justice reform, and increasingly frequent and severe natural disasters, themselves likely a result of broader climate change.

Internationally, the Obama administration has inherited the wars in Iraq and Afghanistan, the continuing threat of international terrorism, Pakistan's dangerous instability, tensions with Iran and North Korea, the festering Israel-Palestine quandary, and renewed conflict with Russia—not to mention the rapid economic growth of China and India and the implications of this growth for resource use, commodity prices, food insecurity, global warming, world trade, and international governance.

Under these circumstances no one should expect the new U.S. administration or the new Congress to make relations with Latin America and the Caribbean a high priority. None of the countries of the Americas presents an imminent threat to U.S. national security. None is likely to be the source or target of significant international terrorism. None will be critical to resolving the most immediately pressing problems of U.S. foreign policy.

Why Latin America Matters

But although the countries of Latin America and the Caribbean pose no urgent issues for the United States, they will be increasingly important to the U.S. future—not as areas of dramatic crisis but in a quotidian way. In fact, Latin America has great impact on the daily lives of U.S. citizens, for four main reasons that are not the hoary axioms about Western Hemisphere security, extra-hemispheric threats, and Pan-American solidarity often cited in the past as reasons for Washington to pay attention to the region.

Instead, Latin America matters to the United States today and will matter even more tomorrow, because of:

—Transnational issues that neither the United States nor any Latin American nation can successfully handle by itself, without close and sustained cooperation from regional partners, including energy security, global warming, pollution and other environmental issues, narcotics, crime, and public health.

—Demographic interdependence, arising from massive and sustained migration that has blurred the borders between the United States and its closest neighbors and given rise to complex issues with both international and domestic facets—so-called "intermestic" issues—ranging from education to health care, immigrants' remittances to driver's licenses, youth gangs to portable retirement pensions, narcotics trafficking to human and arms trafficking.

—Latin America's economic importance to the United States as a prime source of energy and other key resources vital for the U.S. economy and as a priority market for U.S. goods and services. The United States obtains over half of its energy imports from countries of the Western Hemisphere, more than half of that from Latin American and Caribbean suppliers, and the potential for expanded energy production in the Americas is high. Conversely, U.S. firms export goods and services to Latin America valued at $225 billion annually, four times the value of current U.S. exports to China. U.S. firms still have, but need to sustain, their competitive advantage in Latin

American markets, arising from proximity and familiarity plus cultural and demographic ties.

—Shared values as expressed in the Inter-American Democratic Charter, in particular, fundamental human rights, including free political expression, effective democratic governance, and consistent application of the rule of law. These core values are unlikely to prevail internationally if they cannot take root in the Western Hemisphere. At a time when the very difficult experiences in Iraq, Afghanistan, and elsewhere have discouraged many Americans about the prospects for expanding the international influence of U.S. ideals, the shared commitment throughout the Americas to the norms of democratic governance and the rule of law should be recognized as important and worth emphasizing in practice.

The State of U.S.–Latin American Relations

Despite Latin America's quotidian significance for the United States, U.S. policies toward the region in recent years have often been ineffective. Instead of focusing on truly shared concerns, since 9/11 Washington has tended to view Latin America mainly through the prism of international terrorism, just as, earlier, anti-Communism was the core of Washington's approach in the Americas. The administrations of both Bill Clinton and George W. Bush emphasized Western Hemisphere summits, but these meetings typically produced little beyond photo opportunities and mutual but mainly rhetorical commitments to cooperation. Both administrations continued to emphasize a proposed Free Trade Area of the Americas (FTAA) long after this goal had become unfeasible. Instead of building better bridges toward our closest neighbors, the United States started construction of a fence at the border with Mexico. Whereas early in the nineties Western Hemisphere cooperation had been strengthening, in the first decade of the new century resentment of this kind of treatment by Washington as well as of some of its global policies, and of its intermittent attentiveness to this hemisphere, have been building in much of Latin America. This resentment has in turn been stoked by the aggressive public and checkbook diplomacy of Venezuela's Hugo Chávez.

Meanwhile many Latin American and Caribbean countries have been deepening their processes of subregional integration, in part through formal institutions, but even more through trade, investment, Latin America–based multinational corporations, professional and business networks, and pragmatic cooperation. They have also been diversifying their international relationships, building cooperation with the countries of the European Union,

members of the Asia Pacific Economic Cooperation (APEC) forum, China, India, Russia, and Iran. Many Latin American countries no longer look to Washington for leadership or even for close cooperation. The Organization of American States has been a disappointment, and other hemisphere-wide institutions, including the Inter-American Development Bank, have weakened. Western Hemisphere approaches to problem solving have waned. But the increasing international confidence of many Latin American nations and the emergence of shared concerns, reinforced by the severe international economic crisis, may make such approaches more attractive once again.

This chapter and others in this book argue that the Obama administration and the new Congress should seize an early opportunity to reengage the countries of Latin America and the Caribbean in building mutually productive cooperation on a number of shared concerns. As the new administration moves to redefine the U.S. role in the world, a realistic focus on how to relate more successfully to its Western Hemisphere neighbors in order to confront common challenges could yield important dividends for the United States and for all the Americas.

The Immediate Challenge: Restoring Confidence and Dynamism to the U.S. Economy

President Obama's first priority must be to gain the confidence of the American people and of the whole international community in the commitment and competence of his administration in working to brake the deterioration of the U.S. economy and to restore it to a course of dynamism and growth. How well the new administration succeeds in meeting this urgent need is highly relevant to the countries of Latin America, especially to those in the northern tier—Mexico, Central America, and the Caribbean—which are so dependent on U.S. trade, investment, tourism, and remittances. By the same token, these countries are relevant to the new administration's central economic challenge, for Latin America has been an expanding and important market for the export of U.S. goods and services, and its ability to respond to the current economic downturn will affect the chances for a prompt and solid U.S. recovery. The Obama administration should make it clear to Latin American leaders, at the Trinidad Summit of the Americas in April and in other settings, that the United States is prepared to work closely with its hemispheric neighbors in restoring economic dynamism, creating jobs, and avoiding depression.

Improving the Quality of Attention

Rather than promising to pay much more attention to Latin America and then falling short, the new administration and Congress should instead enhance the quality of the limited attention that can realistically be devoted to the region. Instead of offering soaring rhetoric about partnership from Alaska to Tierra del Fuego, the new administration should work with Latin American and Caribbean nations on a few select and crucial issues that can be addressed soon, if only partially, such as bolstering financial institutions, restoring credit flows, and tackling the problems of energy, the environment, crime, health, housing, and education—thus building credibility that has been damaged after years of unfulfilled pledges. Rather than scramble to counter Hugo Chávez and the "Bolivarian alternative" of anti-U.S. movements, Washington should concentrate on confronting the underlying issues that have created space for Chávez's inflammatory rhetoric and populist programs, and for other radical populist movements.

The new U.S. authorities should be thoughtful and consistent in disaggregating Latin America and the Caribbean. It is not new or profound to recognize that Latin American and Caribbean nations vary enormously. During the past twenty years, however, there has often been a tendency in Washington, within administrations of both political parties, to emphasize convergence within the region: toward democratic governance, market-oriented economics, and policies of macroeconomic balance and regional integration. Although these convergent trends have indeed been important, key differences persist among the many countries of Latin America and the Caribbean, and some of these differences are growing, not shrinking. This can be seen along five dimensions:

—*Demographic and economic interdependence with the United States:* highest and still growing in Mexico, Central America, and the Caribbean, and lowest and likely to remain low in South America, especially in the Southern Cone.

—*The extent to which the countries have opened their economies to international competition:* most fully by far in Chile; a great deal in Brazil, Colombia, Mexico, Peru, Panama, and some Central American nations; and less so in other countries.

—*The relative advance of democratic governance (checks and balances, accountability, and the rule of law):* historically strong in Chile, Uruguay, and Costa Rica; increasingly, if quite unevenly, robust in Brazil; gaining

ground in Mexico over the past twenty years but with ups and downs, hard struggle, and major recent setbacks; arguably declining, or at least at risk, in Argentina; under great strain in Venezuela, most of the Andean nations, much of Central America and Paraguay; and exceptionally weak in Haiti.

—*The relative effectiveness of civic and political institutions beyond the state (the press, trade unions, religious organizations, and nongovernmental entities):* strongest in Chile, Uruguay, Costa Rica, the Dominican Republic, and perhaps Argentina; growing but still severely challenged in Brazil and Mexico; slowly regaining stature but still quite problematic in Colombia; weak in Peru, Bolivia, Ecuador, Paraguay, Venezuela, most of Central America, and Haiti;

—*The extent to which traditionally excluded populations are incorporated:* relating to more than 30 million marginalized, disadvantaged, and increasingly politically mobilized indigenous people—especially in Bolivia, Ecuador, Guatemala, the Peruvian highlands, and southern Mexico—and Afro-Latin Americans in countries where they are still the object of racial discrimination.

Only when all these important structural differences and their political consequences are consistently understood can the countries of Latin America and the Caribbean come into clear focus for U.S. policymakers. Hemisphere-wide summit conferences or very broad regional initiatives are less likely to be effective than subregional efforts that bring together smaller clusters of countries with comparable or complementary issues and concerns. Recognizing this reality should be one starting point for a reconsideration of U.S. policies in the Americas. A second, discussed more extensively later in this chapter, is to understand that questions of style, tone, and broad foreign policy outlook will matter a lot in the Americas.

Changing Mindsets

The Obama administration has a brief window to show that it is not imprisoned by damaging mindsets imposed by traditional ideology and rhetoric and that it can therefore respond more constructively than its predecessors did to the realities of Latin America and the Caribbean.

Instead of dividing Latin America and the Caribbean into two groups—friendly "democracies" and hostile "dictatorships"—Washington would be wiser to realize that many Latin American and Caribbean nations still have

weak political institutions, low levels of accountability, and highly uneven application of the rule of law. Although the normative goal of democratic governance has been nearly universally embraced in the past generation—a welcome advance—effective democratic performance and the consistent application of the rule of law remain far from reality in many countries. Central questions posed in this book, in danger of getting short shrift in the backlash to the frustrating Iraq imbroglio, are whether and how the United States can help play an appropriate and effective role in bolstering the prospects for meaningful democracy, at least in some nations.

The familiar mantra of promoting free markets and pushing the "Washington Consensus" has lost traction, and citing Chile as the poster child for this formula no longer persuades. Washington should understand that most Latin Americans see things quite differently. They point out that Chile's success in fact demonstrates the value of pragmatically combining market-opening reforms with strengthened state capacity, sound public policies, including controls on foreign investment, and vigorous state action. Some of Latin America's governmental institutions need to become stronger, more competent, and more effective—not smaller or weaker—in order to deal with such issues as poverty, inequity, exclusion, crime, personal security, and competitiveness. After a period of excessive faith in markets, Washington needs to fully grasp this point as part of a more general rethinking of the role of government, both at home and abroad.

The key distinctions in Latin America today are less whether an economy is entirely market-driven or partly state-led and more how well the government and other institutions incorporate feedback and accountability into their decisionmaking and course correction processes, and whether competition among parties and sectors is constructive and energizing or polarizing and destructive. Moving toward more democratic politics and toward economies that are more market-driven than centrally planned certainly can help nations meet these imperatives. But many Latin Americans believe, understandably, that these nostrums are insufficient without effective institutions, including independent central banks and autonomous political parties, and without sufficient state capacity to regulate, allocate resources, and provide essential public services. In some cases the market-opening and state-shrinking policies recommended by Washington have come to be seen as damaging, or as facades meant to advantage narrow interests. The crisis of American financial institutions in 2008, requiring massive government intervention, further undermined the case for international market fundamentalism.

Starting at Home: The "Intermestic" Agenda

Four changes in U.S. policy that would have great positive impact in the Americas are strictly speaking not "Latin American policy" issues as such, but in many ways are primarily domestic questions: immigration reform, a revised trade policy, a new emphasis on energy conservation and development, and a fresh approach to the narcotics trade.[1]

Immigration

As soon as domestic economic stimulation and other truly urgent business permit, the Obama administration should work intensively with the new Congress to achieve comprehensive and proactive immigration reform, based on the premise that labor markets and family dynamics will likely produce substantial immigration flows for the foreseeable future. A new U.S. immigration policy should seek to manage and regulate these flows; enhance their benefits to the receiving communities; mitigate, compensate for, and more fairly distribute their various costs; and also affirm core U.S. values, including fundamental respect for law.

Any viable plan will require cooperation with Mexico, Central America, and the Caribbean on economic development, job creation, labor, health, education, youth employment, law enforcement, and infrastructure. To secure that cooperation, Washington must avoid name calling and finger pointing. The Obama administration should consult early with governments in Mexico, Central America, and the Caribbean regions with the goal of fashioning joint and practical approaches to those transnational issues.

A feasible and sustainable U.S. immigration policy must include improved border control and management, temporary worker programs, meaningful sanctions against employers who hire unauthorized residents, and concerted efforts at various levels to integrate unauthorized immigrants who have been contributing to the United States and who want to become part of the U.S. community—including practical paths to citizenship or long-term legal residence. It will take considerable political leadership and will to achieve immigration reform, but the need is evident. Immigration reform would be important, not only for the United States but for many other countries of the Americas, especially Mexico and the Caribbean and Central American nations.

Trade

It is not enough to stress the benefits of expanded trade for those who prosper from it while downplaying its costs and risks for others, especially in the

context of mounting anxiety about a prolonged recession or worse. Much more needs to be done to compensate, protect, retrain, and provide technical assistance and access to credit to those who are displaced by expanded trade and by technology, both in the United States and in the economies of its trading partners, especially in the Americas. These provisions need to become part of new trade agreements, not just the subject of side accords or of vague promises to deal with the issue later. For their part, Latin American countries will need to improve protection of labor conditions and workers' rights if trade agreements are to have any prospect for U.S. approval. The 2007 negotiations—first between the Bush administration and congressional Democratic leadership and then with the government of Peru, on labor rights and environmental issues to make possible the free trade agreement with that country—show the way toward reconstructing expanded and sustainable inter-American commercial cooperation.

The new administration and Congress will need to win support from both business and labor to keep the United States globally competitive but also to open greater export opportunities for developing countries, including those of Latin America, rather than to intensify targeted protectionism. The United States cannot expect open access for its exports while retaining pockets of strong protectionism for itself precisely in sectors where developing countries, including Latin American economies, have competitive advantages.

Energy

With the price of oil fluctuating wildly, at times around unprecedentedly high levels; declining production of petroleum in Mexico, Venezuela, and Ecuador; rising demands for energy in China and India; geostrategic concerns about the Middle East and Africa; and growing consensus on the harmful impact of carbon emissions; the Obama administration and Congress will surely focus early on energy security. New policies will include conservation initiatives and the development of new supplies, particularly from renewable sources. The potential is great for significant collaboration among Western Hemisphere nations to ensure the provision of adequate energy, involving investment in producing oil and natural gas in Mexico, Brazil, Venezuela, Bolivia and Cuba; some expansion of nuclear power production in Argentina, Brazil, Chile, Venezuela, and Uruguay; carefully targeted support for some biofuel development, especially sugarcane-based and cellulosic ethanol, in Brazil, Colombia, Central America, Cuba, and elsewhere in the Caribbean; investments in wind, hydro, and geothermal energy; and collaborative research on both alternative fuels and options for conservation. Concerted efforts to build