



## A Message to Obama: How to Be a “Good Neighbor”

By Roger F. Noriega

*President-elect Barack Obama will soon have to confront urgent challenges and opportunities close to home in the Americas. His team can bury the paternalism and zero-sum thinking that have stunted the growth of our natural partnership with the Americas if it adopts energetic, respectful engagement. The new administration must listen and learn but be prepared to speak out when vital U.S. interests and values are at stake. The good news is that expectations in the region are high, but not unrealistic, and U.S. relations are in much better shape than the casual observer might assume. The bad news is that some challenges—such as the threat of drug trafficking and structural poverty—are worse than imagined. By avoiding some simple mistakes, investing political capital in trade and immigration, and getting serious about fundamental security and development challenges, Obama could be off to a promising start in the hemisphere.*

Attitudes in Latin America today are shaped by new dynamics. The United States is no longer the only game in town. Economic actors from inside and outside the region (China, Europe, Brazil, Venezuela, and others) are competing for the Latin American market as never before. Furthermore, today's elected political leaders are empowered with the resources, popular mandates, and a broader choice of partners to shape their own destiny. And much of the work to be done to make their countries more governable and competitive requires internal political support more than foreign assistance. Finally, the consensus behind democratic capitalism itself has been undermined by the unrequited expectations of the region's very poor. As a result, few are waiting for made-in-Washington models.

Nevertheless, in the midst of a deep financial crisis, the stability and economic opportunities provided by our Latin American neighbors are critical to America's own recovery and security. After all,

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the Americas are home to three of the United States' top four foreign energy suppliers and our fastest-growing markets. Furthermore, we can never be genuinely safe in a post-9/11 world if nations with which we share land and maritime borders are unstable or hostile.

### Solid, Respectful Ties

The vast majority of the political leaders in the region—even those emerging from the traditional left—remain committed to responsible, market-oriented economic policies, democratic governance, and political stability. Even if Venezuelan president Hugo Chávez's brand of authoritarian populism still finds a nostalgic audience in some quarters, his pyromaniacal rhetoric, militarism, and meddling have left him with only a small band of militant followers and a few more dependent clients. But Latin America is, after all, part of the “West.” It has much more in common with the United States and Canada than it does with Chávez's Russian and Iranian chums. And Chávez's threadbare *caudillo* (strongman) style—which

proposes that the poor sacrifice their freedom for food—has little appeal to leaders who know they must strengthen their institutions to thrive in the future.

What is more, the serious problems that the region has with drug trafficking and global competitiveness can best be resolved in close cooperation with the United States.

And most nations—with leaders from across the political spectrum—have cultivated solid, respectful ties during the Bush administration. Therefore, an intelligent strategy will depend on putting aside some preconceived notions about the current state of relations—which are neither as bad nor as malleable as the Obama campaign has suggested. To cite but one indicator, in the last dozen years, U.S. aid to the region has tripled.<sup>1</sup> While regional leaders are not waiting for Obama to deliver a regional agenda on stone tablets, they still hope for a partnership with the hemisphere's largest, most dynamic

economy and the world's lone superpower. Below are some recommendations for our new president so that he can begin to meet these expectations.

**Scrap Zero-Sum Formulas.** Although neither candidate in the 2008 presidential campaign spoke much about the Americas, what Obama *did* say raised legitimate concern among most interested observers. His opposition to the free trade agreement with Colombia, a key U.S. ally, and his oft-repeated commitment to grant an early, unconditional audience to the region's most divisive leaders have left many wondering if he has weighed the consequences of such ideas. Indeed, U.S.–Latin American relations have been bedeviled for decades by zero-sum thinking. Chávez has spent years and billions of dollars trying to convince the rest of the region that the United States must lose for Latin America to win. Too many in the Latin and Caribbean political classes are historically skeptical of any U.S. initiative—preferring to fault our efforts rather than assume responsibility for their own fate. When the United States engages to defend our values, too many in the region are quick to criticize. When we hold back, we are accused of not caring. But because of Obama's personal story and what his victory says about the opportunities in a free society, he has a unique opening to encourage all sides to commit to finding win-win solutions. And he may prove to have the credibility and stature that will allow him to be the

kind of earnest partner who can press other countries to help themselves.

**Listen and Learn.** Obama must demonstrate his openness at the scheduled Summit of the Americas, to be held in Trinidad and Tobago in April 2009. Every free nation

in the Western Hemisphere will be represented, with the new president's counterparts hanging on his every word. He should be prepared to describe his vision of the future and to discuss our deep and abiding commitment to fighting poverty through the rule of law and an educated citizenry. Dialogue is a two-way street. The summit host and other delegations will need to lay the political groundwork for constructive, private, informal exchange among the leaders.

**Stand by Freedom.** The Obama administration should break the United States'

silence regarding the troubling deterioration of democracy in Venezuela, Bolivia, Ecuador, Nicaragua, and elsewhere in the region to let our friends know that we stand with them and to encourage the region's democrats to defend their values. The United States also must continue to be a fierce advocate of economic freedom, in which government's role is to empower the individual and encourage entrepreneurial capitalism.

**Empower a Special Envoy.** Obama should designate a trusted, heavyweight political ally as a special envoy to the Americas and choose a seasoned political hand for the position of assistant secretary of state. The fine career diplomats deserve experienced, purposeful political leadership to carry out a bold policy in the region.

**Consult with Heavyweights.** Obama would be smart to commit to regular open channels and periodic meetings with the leaders of Brazil, Canada, and Mexico as the leading powers in the Americas. These private consultations will go far in coordinating effective responses to problems in the region and beyond.

**Launch an Education Revolution.** Another factor stunting the growth of Latin America is the substandard, ineffective, and underfunded education systems in most nations in the region; indeed, fourteen nations in sub-Saharan Africa invest a larger percentage of their

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*per capita* income in education than nineteen Latin American states, including Mexico, Chile, Brazil, Argentina, and Venezuela.<sup>2</sup> It is hard to imagine the Americas reaching their full potential until primary education is overhauled, giving people from all walks of life the tools they need to hold their governments accountable and to take advantage of new and better jobs created by growing economies. Obama should focus personal attention and sufficient U.S. foreign assistance—matching local and development bank resources—to increase the effectiveness and reach of the region’s educational systems, setting reasonable, measurable targets for eliminating illiteracy by the year 2020.

**Reward Reform and Fight Corruption.** Latin America has made significant progress in terms of economic growth and transitions to representative democracy in the last twenty-five years. Nevertheless, its relatively weak institutions and persistent corruption have conspired to hold back the very poor. The poorest people in Latin America enjoy a smaller share of their nations’ wealth today than they did twenty years ago.<sup>3</sup> While the United States touted sound macroeconomic policies and privatization as part of what became known as the “Washington Consensus,” the benefits of these economic reforms were neither maximized nor shared equitably because of ineffective institutions, corruption, and other obstacles to social mobility.

Although the United States can hardly be blamed for the inherent weaknesses found in these countries, we have been identified with an agenda that left many of the poor unsatisfied and disillusioned. Today, key South American economies are experiencing positive growth. They have been hit by the global financial crisis, but the reaction has been to reject protectionism rather than scapegoat market economics. Particularly in response to the global downturn, these nations must press forward on implementing second-generation reforms—disciplined fiscal policies, effective democratic institutions, flexible labor codes, accessible financial sectors, independent courts, and adequate public security—in order to ride out the current slowdown and achieve sustainable, equitable growth.

To be sure, the foregoing challenges are daunting, and the Obama team will have to be especially creative in shaping innovative strategies for encouraging

governments to press forward with the same unfinished reform agenda. Therefore, Obama should continue funding the Millennium Challenge Corporation, which channels U.S. assistance to low-income countries that govern

democratically and fight corruption, and he should scrutinize programs in countries that are not meeting these commitments, such as Nicaragua and Honduras.

**Carry Our Weight in the Drug Fight.**

Another significant and growing challenge is the cancer of transnational criminality driven by the drug trade, which corrupts and undermines governments and tears at the social fabric in the region.

Colombia has made impressive strides, thanks in part to U.S. security assistance. Mexico’s political leadership has shown unprecedented determination to take on the narcotraffickers, but that battle will likely get worse before it gets better. And the trend lines are decidedly negative in Venezuela, Bolivia, and some nations in Central America, where law enforcement does not even pretend to be able to control the threat.

President George W. Bush prioritized “Plan Colombia,” which began as a bipartisan commitment during the Clinton administration. And the recent Mérida Initiative is channeling \$500 million to Mexico and Central America to fight the drug trade. Perhaps even better news is that the region’s principal states—with Colombia leading the charge—have recognized their own responsibility for confronting this program and are stepping up to coordinate a homegrown response.<sup>4</sup> This sort of integrated, regionwide effort is essential to battling the lawlessness and instability that threaten governability in a growing number of states. Brazil, Colombia, and Mexico can play decisive roles in coaxing cooperation from governments that do not support the tactics of the U.S. drug war. The Obama administration should continue substantial U.S. support for Mexico and Central America and encourage integrated cooperation among regional civilian law enforcement to confront the deadly drug cartels.

**Consolidate Success in Colombia.** One of the pressing challenges for the incoming administration will be how to treat a key ally, Colombia, that is at the heart of U.S. policy to promote democratic governance, fight terrorism and drugs, and build economic partnerships. Unfortunately, U.S. labor leaders and many in Obama’s own party believe that what is good for our Colombian ally is

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somehow bad for our own interests. And just as a bipartisan commitment to Plan Colombia has begun to bear fruit in many ways, the Democratic Congress has signaled that critical U.S. security aid may be drying up. The only mention of Latin America in any of the presidential debates found Obama heaping scorn on Colombia's labor rights record as a pretext for not supporting the pending free trade agreement with that nation.<sup>5</sup>

Nevertheless, the new president's briefing papers will tell him that Colombia has eliminated virtually all of the opium poppy crop<sup>6</sup> (the source of black tar heroin); that, since December 2006, cocaine prices have increased while purity has declined<sup>7</sup> (evidence of the scarcity of the product); and that most of Andean cocaine is finding its way to Europe rather than running the gantlet of the U.S.-Colombian alliance. What few may have noticed is that Colombia has taken the initiative to aid Afghan and Mexican counternarcotics officials who have made a beeline to Bogota to learn how to battle these deadly cartels through intelligence and law enforcement, and that Colombian police are the driving force behind "Ameripol," a promising new tool for promoting police cooperation against this threat.<sup>8</sup> Colombia also led eighteen nations in producing a "transit zone" strategy that has Latin and Caribbean states pulling together to "confront all the links" in the drug chain.<sup>9</sup>

By its own force of will, and making the most of U.S. support, Colombia is making itself the hub in the wheel of the global fight against criminal drug syndicates. By opening up to U.S. investment and to its neighbors, its economy also has recovered. In short, turning our backs on Colombia—in terms of trade or aid—will have far-flung, dire consequences for U.S. credibility and tangible national security interests. Obama's bargaining skills, credibility, and commitment to the Americas will be measured in how he treats Colombia. He can avoid some early mistakes by stepping back from several positions he took during the heat of the campaign. He should ratify the languishing Colombia Free Trade Agreement<sup>10</sup> and include substantial funding for Colombia's National Police and others who are doing our fighting for us.

**Enrich the Agenda with Brazil.** The Obama administration should pay special attention to our Lusophone friends. Brazil's leadership and institutions are demonstrating that democratic capitalism is the true remedy for moving millions out of poverty and can be a stabilizing

force in the Americas and the world. Brazilian president Luiz Inácio Lula da Silva should also be encouraged to take a leadership role in brokering an end to the logjam in the World Trade Organization's Doha round, reiterating

the U.S. commitment to eliminating agricultural subsidies in concert with European and Asian concessions.<sup>11</sup>

**Incentivize Private Capital.** Obama should dispatch the secretary of the treasury to meet with counterparts to encourage economic recovery, to help remedy disruptions in lending to the private sector, and to initiate talks

toward an investment accord that will secure and facilitate international business, encourage more competitive economies, and attract global capital.<sup>12</sup>

**Get Over "The Wall."** Obama and the Democrats have a chance to modernize U.S. immigration laws to accommodate the natural ebb and flow of legal foreign workers who contribute to the U.S. economy and return home. In an economic crisis, it will be tempting to blame immigration for employment woes, but the new president should avoid such scapegoating and pursue real reform.

**Remember the Caribbean.** The Obama administration should accord special attention to the unique characteristics of the small island-states of the Caribbean and take steps to address their vulnerabilities to illegal migration and drug trafficking. A special coordinator for the Caribbean should be designated to consult with the region on a multiyear international development fund tailored to its unique needs; the Caribbean Community might accommodate dialogue by granting the United States observer status. Haitians must be able to count on international support, which requires consistent U.S. engagement; the slightest hint that former president Jean-Bertrand Aristide might be returned to power under the new Democratic administration would be dangerously destabilizing.

**Put Regional Institutions to the Test.** In the last several decades, the United States has been a good neighbor: granting access (in some cases unilaterally) to the U.S. market, advancing democracy and good governance, forgiving debt, lending a hand in financial crises, confronting the transnational drug threat, shaping a regional agenda in multilateral forums such as the

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Organization of American States (OAS) and the Summit of the Americas, and forging historically close ties with Brazil and Mexico. Obama can encourage bold new Latin-led initiatives that make countries accountable for antidrug, prodemocracy, and regional security initiatives, and he can help reinvigorate the OAS and the Inter-American Development Bank as more effective and adequately funded instruments for the region's common good.

**Keep Faith with the Cuban People.**

During his presidency, Obama will likely see the dawn of a free Cuba. In the meantime, he should keep faith with the Cuban people by generating bold, creative efforts to support Cuba's democratic opposition on the island. He can demonstrate his commitment to that goal by conditioning the loosening of U.S. travel to Cuba upon the regime allowing unfettered travel by all Cubans (beginning with those who hold visas to enter the United States but are held hostage on the island today). Obama also should reiterate his pledge to maintain the U.S. embargo, as required by U.S. law, until Cuba is free and leverage it to extract deep, broad, and irreversible reforms from a transition government. There is no logic in the new president picking a fight with the growing phalanx of Democrats who have voted against making unilateral concessions to the ruthless Cuban dictatorship.

**Engage in Dialogue, First with Our Friends.** In the heat of a presidential debate, Obama pledged to meet with Chávez and Cuban leader Fidel Castro—without preconditions—during the first year of his presidency.<sup>13</sup> Neither Chávez nor Castro has done anything to justify putting them at the head of the line for presidential summits. Moreover, such encounters will legitimize, embolden, and buy time for both men and demoralize the courageous democrats in Venezuela and Cuba who will end up paying the price for these meaningless gestures. Obama should not grant presidential meetings with Chávez or Castro before extending the same extraordinary courtesy to every friendly, elected leader. The world may be looking to Obama to initiate a new age of "dialogue," but it will forgive him for passing up aimless summits that will empower our enemies and harm our friends.

**Burying Paternalism in Partnership**

These recommendations contemplate a robust and creative U.S. partnership to help countries do what they must do for themselves. In light of the global financial crisis and the siren of authoritarian populism, this strategy of engagement and the vigorous defense of democratic capitalism are needed more than ever today. One hopes for a policy under the new president that is both pragmatic and principled—pragmatic enough to set aside preconceived notions to advance our interests and principled enough to defend our traditional values and stand by our trusted friends. This approach also assumes that our partners will accept responsibility for their own future and view their relationship with the United States in a more modern, mature way.

For too many years, U.S.-Latin relations have been dominated by a zero-sum formula, in which U.S. interests were weighed against regional equities. It is possible to turn the page and bury paternalism if Obama can lead his counterparts to invest political capital in a search for win-win formulas and genuine partnership.

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**Notes**

1. U.S. Agency for International Development, "U.S. Overseas Loans and Grants (Greenbook)," available at <http://quesdb.usaid.gov/gbk/> (accessed November 26, 2008).

2. World Bank, *World Development Indicators 2008* (Washington, DC: World Bank, 2008). Data are from the most recent year available. The statistic used measures the expenditure per student for primary education as a percentage of GDP per capita.

3. *Ibid.* Data for today and twenty years ago are from the most recent year available and the earliest year available since 1980, respectively. In the largest economies in Latin America—Argentina, Brazil, Chile, Colombia, Mexico, and Venezuela—the poorest 10 percent of inhabitants claim a smaller share of their respective national economies today than they did twenty years ago, except in Chile and Colombia, where the poorest experienced very modest progress. Notably, the poor in Venezuela and Argentina lost the most ground in the last two decades.

4. At the Non-Aligned Movement's (NAM) "Regional Summit on the Global Drug Problem, Security, and Cooperation," held on August 1, 2008, in Cartagena de Indias, Colombia, participants produced a plan of action that will hold

participating nations responsible for working together to confront this threat.

5. Obama describes himself as committed to free trade, and he voted in 2008 in favor of the trade accord with Peru. He advocated amending NAFTA only if a dialogue aimed at extracting stronger labor and environmental measures were not successful. See Nina Easton, "Obama: NAFTA Not So Bad After All," *Fortune*, June 18, 2008.

6. Ten years ago, nearly 10,000 hectares of opium poppy were being cultivated; today, about 350 hectares remain.

7. U.S. Drug Enforcement Administration, "Cocaine Price/Purity Analysis of STRIDE Data," available at [www.usdoj.gov/dea/concern/cocaine\\_prices\\_purity.html](http://www.usdoj.gov/dea/concern/cocaine_prices_purity.html) (accessed November 26, 2008).

8. Sam Logan, "Ameripol Comes to Life," International Relations and Security Network, Security Watch, November 26, 2007, available at [www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?id=53432&lng=en](http://www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?id=53432&lng=en) (accessed November 26, 2008). Ameripol (Comunidad de Policías de América) was formed in Bogota, Colombia, on November 14, 2007, among eighteen member states. The current director general is Chilean police official Eduardo Gordon, and the current secretary general is Colombian national police general Oscar Adolfo Naranjo.

9. The communiqué of the NAM Cartagena Summit commits each state to help reduce the supply and demand for illicit drugs

and to cooperate against related crime. The initiative engaged several states—including Bolivia, Cuba, and Venezuela—that refuse to cooperate with U.S. antidrug programs. The communiqué is available at [www.eulacdrugs.org/fs/view/docs-pdf-press-releases/Cartagena\\_Declaration.\\_Summit.\\_ENG.pdf](http://www.eulacdrugs.org/fs/view/docs-pdf-press-releases/Cartagena_Declaration._Summit._ENG.pdf) (accessed December 2, 2008).

10. A less controversial free trade agreement with Panama also is pending before the U.S. Congress.

11. "Brazil Says Trade Key to Resolve Crisis," Associated Press, November 14, 2008.

12. Nancy Lee, "Integration in the Americas: One Idea for Plan B," Center for Global Development and Inter-American Dialogue, CGD Notes, May 2008, available at [www.cgdev.org/content/publications/detail/16178/](http://www.cgdev.org/content/publications/detail/16178/) (accessed November 26, 2008). Lee advocates a "standards-based regional investment agreement designed to reduce microeconomic and other barriers confronting both domestic and foreign investors" as a logical alternative to the "collapsed" regional trade agreement. She envisions a practical accord to improve "the quality of regulatory, tax, and legal systems," including measures to "simplify and expedite systems for starting business, paying taxes, obtaining licenses, registering property, dealing with border controls, and accessing credit and infrastructure services."

13. "Obama, Edwards Say They Would Meet with Castro, Chávez," *Miami Herald*, July 23, 2007.