

Uncertain political landscape ahead for Latin America

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The political future of Latin America seems uncertain agreed panelists in a session on the political state of the region, especially given the recent spat between Ecuador and Colombia, rumblings in Venezuela, and the presidential elections and economic downturn in the United States.

Moisés Naím, Editor-in-Chief, Foreign Policy Magazine, USA, expressed surprise at how good the economy has been in Latin America, even though there had been political instability. "The last four years have been the best economically since 1492," he said.

Latin America nears the end of the first decade of the 21st century in the midst of an unprecedented run of economic growth, peace and political stability, participants in the World Economic Forum on Latin America 2008 agreed.

Yet the geopolitical landscape seems uncertain given the recent spat between Ecuador and Colombia, rumblings in Venezuela, and the presidential elections and economic downturn in the United States.

Mr Naím offered what he called two surprises and one prediction. Surprise number one: "how good the economy has been in Latin America and how bad the politics have been," he said. "The last four years have been the best [economically] since 1492."

Hyperbole aside, economic performance is indeed about as good as ever since the dawn of systematic statistical analysis. Yet political unrest, involving sometimes violent street protests, is growing in many countries.

"If the politics have been bad when the economy has been good, it is interesting to imagine - if you think there will be a slowdown - what the politics will be like when the economy is bad."

Naím's surprise number two: historically the defining geopolitical relationship for Latin America has been with the United States.

Recently, however, intraregional friction has become more prominent. "We are looking at blocs in Latin America in a way we never did before," he said. "There are deep divisions. This will define a lot of what will happen."

Naím's prediction: the next United States president, whoever that may be, will enjoy "the highest level of global goodwill since September 12, 2001."

"The outpouring of sympathy for the United States following the Al Qaeda attacks quickly disappeared, he recalled. "I predict that the world is hungry for a new United States, one that doesn't invade and bully people, one that works with other countries," he said. "That will open interesting opportunities for Latin America."

Other panellists also addressed the relationship between the United States and the region. Most agreed that the broad thrust of President George W. Bush's policies have favoured Latin America. Peter Hakim, President, Inter-American Dialogue, USA, noted that the Bush administration has

pushed for specific free trade agreements with Colombia and Panama and advocated greater trade liberalization for the rest of the region.

It has also helped Colombia address its security concerns.

"If I am asked to give advice to the next president, I will say to stick with the Bush agenda," Hakim said. "The substantive agenda has been pretty good" – except, he added, for its Cuban policy.

Jim Kolbe, Senior Adviser, McLarty Associates, USA, lamented efforts by the two candidates for the Democratic Party's nomination to outdo one another in bashing the North American Free Trade Agreement. He predicted that the unwillingness of the US Congress to follow through with a quick up-or-down decision on the proposed Colombian pact may discourage other countries to seek similar deals with the US.

"It isn't so much what it will do in the case of Colombia," he said. "I think we'll get an agreement with Colombia. But this could undermine the trade authority of the president of the United States. Why enter into a tough fight if at the end Congress can change everything?"

Thomas A. Shannon Jr, Assistant Secretary, Bureau of Western Hemisphere Affairs, US Department of State, USA, agreed that his country needs to take care not to damage its standing in the region.

"Because of democratization, the opening of markets and globalization, Latin American countries have options they didn't have before," he said. "We are not the only ones around. This is a competitive environment."

Some panellists suggested that Chile, with its democratic and free market approach, could be more aggressively presented as an alternative model to the self-styled socialist ideology that Venezuelan President Hugo Chavez is trying to export.

"We should all applaud 'Chile-ismo' but all we hear about is Chavismo," said Naím. "We have already tested [the Chavez] proposals in the region and we know that they lead to more poverty, corruption and other problems. The Chileans do not try to export their model."

Added Rafael Fernández de Castro, Academic Dean, Autonomous Technological Institute of Mexico (ITAM), Mexico: "I don't see President [Verónica Michelle] Bachelet taking an aggressive foreign policy stance vis-à-vis Chavez."

With Brazil and Mexico also remaining aloof of the regional ideological debates, Chavez is filling a vacuum, he said. Fernando Araújo Perdomo, Minister of Foreign Affairs of Colombia, outlined three major policy priorities for his country:

- (1) to ensure the security of all Colombians in all parts of its territory, a goal that combines more commonplace anti-crime efforts with the battles against drug traffickers and insurgents;
- (2) to strengthen the investment climate, guaranteeing a strong legal framework for companies while maintaining labour rights and environmental protection; and
- (3) to improve the social welfare of Colombian citizens, partly by aiming to meet the United Nations Millennium Development Goals.

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