



THE ATLANTIC COUNCIL
OF THE UNITED STATES

THE GLOBAL FUTURE AND ITS POLICY IMPLICATIONS:
The Views from São Paolo, Mexico City, and Santiago

By

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I. Introduction

A second set of regional conferences to assess the views of leading policy analysts and policy makers in Brazil, Mexico, and Chile took place in São Paulo, Mexico City, and Santiago in January 2007. Mirroring the format of the other conferences, the discussions began with an overview by Robert Hutchings of the Project 2020 report, *Mapping the Global Future*. After providing general reactions to the report and its findings, participants in each conference outlined their perspectives on the impact of key global trends on Latin America. They then concluded with appraisals of policy implications for their countries, the international community, and the United States.

Our partners in each country brought together extraordinary groups of individuals from government, think tanks, and business to discuss the 2020 report and its implications. In Brazil, our meeting was organized by the Prospectiva International Consultancy; in Mexico, by the Center of Research for Development; and in Chile by the Center for International Studies at the Catholic University of Chile.

II. Emphasis on Economics

In stark contrast to the other regional conferences, discussions in each of the Latin American cities emphasized economic concerns rather than national security, demographics, extremism, or issues of identity. One participant noted that “on any other continent, [there] would have [been] spent a significant amount of time on security. But in this continent, security ranks lower in concerns.” As one Brazilian journalist concluded, “national security is not a big issue” in Brazil, with defense expenditures smaller than the budget for either social security or healthcare. A leading Mexican policy analyst conceded that the “issue of Islam and extremism in the 2020 Report is very alien to Mexicans who have little experience of Muslims” and conceive of conflicts in the Middle East as primarily economic in nature, “between haves and have nots.” Consequently, he concluded, Mexican policy makers “are not suited to understand” non-economic dimensions to these issues. Though there was some limited interest, as assessed below in section V, in addressing the problem of semi-failed states – such as Bolivia, Ecuador, Venezuela, Suriname, or Paraguay – the discussions primarily focused on enhancing trade through bilateral and regional trade agreements and improving competitiveness through education and technology promotion to benefit from the processes of globalization.

Economic competition due from the rise of China and India emerged as the main concern in Latin America. As a CEO of a leading technology firm in Brazil

noted, significantly lower costs of labor in both countries “are affecting the prospects for growth in Brazil” by “creating problems in manufactured goods” as well as in services. For instance, “[t]wo years ago, [the firm] was only about 5% [more expensive in costs of production] than India but today [it is] 35% more expensive, making it difficult to get contracts globally.” Moreover, the competition arises not only due to cheaper cost of labor, but also due to higher productivity. He noted that “there is the threat from the skills coming on the market in those countries” since “China has 600,000, India 350,000 and Brazil 50,000 new engineers and technicians on the market.” With this large scale of new talent, both countries “can reduce the cost of technology and research and development,” such that “[c]ompanies are starting to outsource R&D to China.” Similarly, a Brazilian journalist argued that Brazil is “losing the national industrial space” due to competition from China.

Echoing concerns expressed at the Brazilian conference, a leading Mexican policy analyst observed that Mexico is “the only large Latin American country with a trade deficit with China.” Mexico does “not export[] raw materials,” explained one director at an American consultancy in Mexico, “but import[s] manufactured goods.” Furthermore, he argued that “India has also affected Mexico” even though the country “should be competitive in service industries where India is.” Another participant noted that “companies were increasingly shifting their entire operations to China from Mexico to get the entire value chain from Chinese workers, including engineers and designers they could not find in Mexico” – a sentiment acknowledged by others at the conference.

On the other hand, countries such as Chile appear to have primarily benefited from China’s economic expansion. With copper and related metals constituting about 60% of its exports, Chile has “benefit[ed] from higher commodity prices, due to China . . . buying copper,” said one Chilean international trade lawyer. Emphasizing the importance of China to Chile, a leading professor of international relations predicted that “the economic links . . . between China and Chile will be stronger than between Chile and Bolivia.” “Chile has an advantage by having a bilateral trade relationship with China,” observed one Brazilian chief economist. Indeed, according to a Chilean politics professor, “China has become the second largest economic partner of Chile” in recent years.

Notably, the growing economic importance of China and India for Latin America was not expected to translate into political influence. One Brazilian businessman argued none of the Asian countries – China, India, or Japan – “play a significant political role in Latin America” and conversely “Brazil has no Asia policy either.” He did not observe “anything like the weight of Asia in the U.S. and Europe [occurring] in Latin America.” He attributed this relative lack of engagement due to the sheer difference in the scale of trade among the various regions: Brazil’s trade “with China in 2003 was \$7 billion compared with \$150 billion between the U.S. and China.” Similarly, a high-level Brazilian government official did not “think there is a Chinese threat – not like Mao’s revolutionary period” and believed that China did “not want to have differences with the United States.”

In a similar vein, a former Chilean legislator argued that he did not “think the greater presence of China in Latin America will change the region dramatically except perhaps economically. China is not exporting revolution like the Soviet Union was in the Cold War. China is now Chile’s second most important trade power, but it is irrelevant politically, militarily, etc.” He concluded that “China has no desire to change the world.” He also believed that the EU states have “little real interest in Latin America except perhaps Spain.” One Chilean journalist emphasized the role of geography in determining the scope of influence, such that while the United States “could play a positive role brokering between Latin American countries,” he could not envision China “playing any such role even if its presence grows.” As a result, the focus of discussion in each of the Latin American conferences remained on economic problems and prospects, with the potential political consequences in Latin America due to the rise of China and India perceived as minimal if at all extant.

Notwithstanding the varied distributional consequences creating winners as well as losers, the net overall effects due to economic expansion in China and India were perceived as positive for Latin America. One chief economist at a leading Brazilian bank observed that when he and his research team “started to look at the consequences of integrating with China, we thought we would see several sectors suffering from this, but most did not. In Brazil, we have seen cheaper imports and good deals to export. So, we were very surprised that, in general, we have found very positive results from integration with China. This may change, but so far the effect has been very positive for Brazil. There have been big contracts in [natural] resources

and agriculture and in the manufacturing as well.” A Mexican professor of international relations saw no alternative to a country becoming “more competitive if [it] want[s] to survive” in a globalizing world. However, prospects for “the future of Mexico,” concluded one Mexican professor of international relations, are “not bad in taking advantage of globalization,” given its proximity to the United States. The necessity of reforms to benefit from globalization was evident in Chile, which “succeeded by trade agreements and better legal protection for foreign investors,” noted one Chilean policy analyst. Nonetheless, he was concerned that Chile was still vulnerable as it did “not have a risk-taking entrepreneurial spirit.” Overall, the consensus across all three Latin American conferences viewed increased globalization, trade, and competitiveness as the optimal policy objectives. However, certain challenges emerged in the course of the discussions.

“The question of the dynamism of globalization is not something being addressed in Latin America,” noted one consultant in Mexico. “Government and society at large in Mexico have not come to terms with globalization.” He argued that “[p]olitical value in Mexico is” derived from “protect[ing] the status quo. Politicians extract political value out of a point of view that politics will protect you from all the threats in the world through transfer of wealth, or protection of your job.” However, he observed that “this is a promise that cannot be supported by facts” because “the decisions on jobs are taken by multinationals.”

“The bad side of globalization is social exclusion and concentration of wealth simultaneously,” argued one former Brazilian minister of agriculture. A former Mexican undersecretary of trade questioned whether “Brazil [will] decide to become a global player by embracing globalization” as it appeared to be “moving toward protectionism.” The CEO of a leading technology firm in Brazil was concerned that “the situation will get worse with more pressure for protectionism.” He predicted that, in any negotiations regarding Mercosur, “there will be discussions about who will win and lose in their market and preserve jobs.” As a consequence, he was concerned that “the populist approach in some governments will grow stronger.”

“[T]here will be important groups within . . . countries that do not receive the benefits of globalization,” concluded a leading Chilean policy analyst, such that “the perception of globalization in the world by those that do not benefit will become

reactionary and critical of the policies of their own government.” A Chilean journalist agreed: “It is not coincidental that the main radical thinking in Ecuador, Columbia, Bolivia, etc., [as well as] the main opposition is from the losers from globalization, the indigenous populations.” In Mexico, argued one advisor to a state governor, there are similarly “poor people who are skeptical about globalization and want the security of a monthly check rather than the promise of becoming a more competitive economy.” He attributed this skepticism to a lack of “confidence that a more competitive economy would benefit them [instead of] only the rich.”

Having acknowledged these distributional difficulties associated with globalization, there was still commitment to economic prosperity through greater trade and competitiveness. “If we are losers, it will not be due to globalization but to our failure to take the steps to succeed,” assessed a former Mexican undersecretary of trade. He even argued that “Mexico has no option – it needs to unilaterally open its economy.” One former Brazilian minister of agriculture observed that “we need more trade to increase wealth in the region.” In Brazil, he believed that “trade will come from agriculture because [it is] competitive in these areas. There are 220 million acres of pasture land that is available – including 90 million acres for growing crops. This is 150% more than currently used in Brazil.” Moreover, he stressed the importance of agroenergy, as “23% of the U.S. corn crop went to making ethanol last year, increasing the cost of corn around the world [and] agricultural crops prices in Brazil.” He argued that there was strong interest in the issue of biofuels all around the world as “[t]his half century will be focused on energy security.” For instance, Sweden buys 85% of its ethanol from Brazil, noted one government official, and many “transnational companies are starting projects in Brazil on biofuels.”

Even the largest Latin American countries increasingly will rely on trade. Though “Brazil is the largest market in Latin America,” argued one chief economist at a Brazilian bank, “that is not enough.” Similarly, “[t]o focus on Mercosur will not enlarge the market enough,” such that “Latin America will have to focus on enlarging free trade with the U.S., Europe and Asia.” A leading businessman since “27% of Brazil exports go to the U.S.,” Brazil “need[s] to deal with the U.S. and work on an FTA agreement” rather than “be ideologically committed to Mercosur.” Indeed, the United States alone constituted 13–14% of Brazil’s agricultural market. As one Brazilian investment banker summed up, “the most important is the relationship with

the U.S.,” stressing that Brazil “need[s] a bilateral agreement [and] cannot be isolated [when] other countries in Latin America hav[e] a special relationship with the U.S.”

Enhancing competitiveness required improvements in technology and, in turn, in education. Based on the Brazilian government’s strategy report akin to *Mapping the Global Future*, one analyst reported that “knowledge was considered a key factor to development” and “the quality of education as the key point for the future.” Notably, the necessity of education to competitiveness was the “only issue on which [everyone involved with the report] agreed.” Similarly, another Brazilian policy analyst noted that Brazil has “a large portion of the population without an adequate basic education” and “[w]ithout people with good education, it will not be [able] to meet the challenges of the future.” However, a high-level Brazilian government official expressed concern that though there is “a strong science and technology sector in Brazil,” Brazilians “do not know how to translate technology into money.” Moreover, improving education put the Latin American countries in competition with China and India. For instance, a former Mexican undersecretary of trade noted that “[t]here are only 11,000 Mexican students in U.S. universities and 80,000 Chinese students.” One consultant suggested that Mexico “should get U.S. universities to set up campuses in Mexico so people can aspire to upward mobility of U.S. education” and proposed that “[t]here should be a Marshall Plan for Mexicans to be educated in the U.S. as well.”

III. Leadership in Latin America

The commonality of concerns regarding globalization, trade, competitiveness, and education did not translate into a common regional identity in Latin America. One leading Brazilian policy analyst argued that Latin America was quite fragmented, between Mexico and Central America, on the one hand, and three regions of South America, on the other: 1. “the Pacific side with some problems, common proclivities, and cultural commonalities, indigenous problems in Peru and Bolivia;” 2. Chile and the Atlantic side of Brazil and Argentina, where “the issue of indigenous peoples is irrelevant;” and 3. certain semi-failed states such as Bolivia, Paraguay, and Suriname. A Chilean professor of international relations agreed that “it is unlikely that there will emerge a regional identity in South America. The recent debate on the South

American community of nations in the last two years shows that it is difficult to arrive a common identity . . . due to the role of Brazil and different economic standards in different countries.” Another Chilean politics professor echoed a similar view: “Latin America will not be successful in the process of integration in the next fifteen years. We continue to be asymmetric and great differences will remain, even within countries. The problems that will mark the future are not only economic. There are ethnic, cultural and values differences that will mark the internal and external relations between Latin America countries and the world.” In short, argued one leading Mexican policy analyst, “[t]here is no such thing as Latin America.”

None of the three Latin American countries expressed a desire to pursue a leadership role in the region. One Chilean politics professor “prefer[ed] moderation rather than leadership and development of soft power” on the part of Chile. He also argued that “Brazil will not obtain leadership in the next ten years” and that “[t]here is nothing to lead Brazil and Mexico . . . to have a big effect on the region.” A Chilean defense analyst argued that the main problem was the region’s lack of “common interests” rather than a lack of “political will.” He viewed each country’s situation as “quite different” such that their “interests are different.” Moreover, noted a former Chilean diplomat, if Chile “tried to lead, [it] would be opposed by Argentina and others,” such that it “need[s] to lead by example, by succeeding.”

Similarly, a leading Mexican policy analyst argued that “Mexicans see themselves as passive bystanders and victims.” “Mexico basically takes an observer perspective on the global trends . . . identified [in the Project 2020 report],” one Mexican consultant argued. “These are externalities to us. The implications are diversion of U.S. attention from dealing with Mexico.” Moreover, he believed that that “Mexico does not have any particular asset on any of those issues” and is “just subject to those trends as they affect others, especially the United States.” As a result, Mexico does not “have a national policy on these issues, for example, energy, alternate fuels, etc.”

Absent a regional leader in Latin America, there was strong interest in having the United States play a leadership role. One Chilean journalist stated: “I go along with the Pax America[na] scenario,” since, for instance, “the Europeans could not have created the EU without the influence and support of the U.S., especially to

overcome German–French differences.” Similarly, at the Mexican conference, one participant noted that “Mexico’s emphasis on the U.S. seems to indicate the Pax Americana scenario.” Echoing this view, a Brazilian political consultant argued that “Brazil does not have any disagreement with the U.S. in any international regime or in a geopolitical sense in this period,” such that it “is a time of very good U.S.–Brazil cooperation.” Moreover, a leading Brazilian policy analyst thought that “the U.S. will be more important to Brazil in 2025, not less important.”

However, stressed another Chilean journalist, accepting “strong power in the U.S.” implied that “[i]t is essential that we have in the White House someone who has a good understanding of other cultures and international law. The way Bush has been leading after 9/11 is making it very difficult for those of us who believe in the U.S. and its values difficult to explain.” One Mexican investment banker even suggested that “[t]he U.S. could allow Mexicans to fight in the U.S. army” with “an opportunity to become U.S. citizens after several years of service.” He envisioned that such a policy “would change the impression that not all U.S. soldiers are the enemy,” thereby further legitimating American power in Latin America.

On the other hand, a former Chilean diplomat voiced a dissenting view: “I don’t see how there could be a Pax Americana. To have this, you need to have something like the Roman Empire and the U.S. is far from such a view of the world. . . . So Pax Americana is not possible in 2020.” Moreover, he argued that “the U.S. will be broke.” As a result, there will be no “solid basis for the U.S. as a superpower,” such that “the U.S. will not have the same position as today in 2020.” A Brazilian journalist also believed that the U.S. is not relevant politically in Latin America. Notwithstanding these views, there was a widespread consensus that the “U.S. needs to show [greater] interest in Latin America” since currently the “CFR, Brookings and even Carnegie do not have programs on Latin America,” as one Brazilian business leader observed.

U.S. leadership in Latin America was perceived to rest on vast economic ties. As the CEO of a leading technology firm in Brazil noted, “Brazil is only 1.5% of U.S. trade but is 25% for Brazil” such that “it does not make sense for Brazil to see the U.S. as unimportant.” Similarly, argued a Mexican professor of international relations, “Mexico does not have the option of not integrating with the U.S. Forging closer ties

with Latin America is rhetoric. We have never been really part of Latin America. We will go to all the meetings, etc., but South Americans do not see Mexico as part of Latin America.” He did not “think it is a real option to be part of Latin America more than the U.S. We cannot just say we will have 80% of our trade with Latin America” as those realities “will depend on business, not a government policy choice.” For instance, observed one leading Mexican policy analyst, “trade between Mexico and Michigan is greater than between Mexico and the rest of the world.” Moreover, a business professor in Mexico noted that “[t]he value of homes expected to be sold to Americans in Mexico is expected to be greater than the value of homes to be sold to Mexicans. This shows the integration that is going on.”

Notably, there was very limited interest or confidence in international institutions such as the Organization of American States. A Brazilian investment banker argued that “the OAS is not important.” Similarly, a Brazilian political consultant noted that “the OAS really does not work anymore to deal with Venezuela and other issues.” The United Nations was also perceived as either indifferent or incapable to address Latin American issues, according to one Brazilian political analyst, or “too far away,” in the words of one Brazilian journalist. “We are facing a real security and human rights crisis on our southern border from Central America,” argued a Mexican professor of economics, but do not “know what international institutions can do.” A Mexican banker concurred: “Regarding the OAS, we do not know what it does. So what is its relevance? Regarding the UN, the last time Mexico tried to play a role, we got caught in the crossfire on Iraq. It brought nothing but grief to Mexico. So, now the last thing we want to hear is that we will play a role in multilateralism.” Echoing this resentment of international institutions, a Mexican consultant stated: “The multilateral institutions have been telling Mexico where we are lagging behind on a number of issues. The World Bank recently told us we are badly lagging behind on competitiveness. The OAS said you are lagging on your legal system. OECD says we have to improve tax collection. The IDB tells us what we need to do to create jobs at home for migrant workers. For a country of the economic weight of Mexico, the messages we get from the multilateral institutions is that we are lagging behind and you need to improve your policies at home.”

On the other hand, one Brazilian political analyst argued that “Mercosur is the best forum for a trade deal with the U.S. since Brazil and Argentina are 95% of

Mercosur.” Moreover, “Mercosur is a political body and will have to deal with Venezuela” since “[i]t cannot accept a member that wants to destroy it.” Moreover, observed a Brazilian political analyst, “Mercosur was very useful to deal with the attempted coup in Paraguay in 1997.” In any event, there was a “need [for] institutions to [provide] bargaining power” since the alternative “option is to deal with these issues unilaterally and bilaterally,” which is costly and less effective. However, a Brazilian journalist was concerned that “[f]rom the moment that we accepted Venezuela into Mercosur, it became impossible to use Mercosur against Venezuela.”

IV. Challenges from Castro and Chavez

There was little concern that Castro and Chavez posed a political or ideological challenge in Latin America. In the words of a high-level Brazilian government official, “Chavez is not a real threat.” “We do not see the radical nationalism of Chavez growing influence in Latin America,” argued a Brazilian business leader. Instead, there is “a kind of populism of Lula, not Chavez,” such that “Lula is treated like a rock star in many parts of the country.” One leading Mexican policy analyst argued that “[t]he best attack in Latin America on a candidate is to say he is like Chavez.” Since such attacks “hurt Obrador,” he expected to see “candidates in the future separating themselves from Chavez.” A similar view was expressed by one Brazilian policy analyst: “The idea of Chavez will not prevail in Mercosur and Chavez will not have the same freedom he has now.” A former Chilean diplomat argued that “Chile’s success [wa]s very important in this” shift. “Ideologically, [Chile has] a socialist government, but [one] can see clearly that leftist governments in Latin America do not want to enter Chavez’s game, which was not so clear five years ago.” Though initially “Chavez present[ed] himself as representing the poor[,] poverty has not diminished in Venezuela.” Thus, “Chavez has started new programs, but people want results not words.” For this reason, “Chavez model has not been replicated other than Bolivia and Ecuador.” The prospects for Cuba were also favorable, argued a former Brazilian minister of agriculture, stating that “the Vice President for the economy in Cuba . . . is a very liberal man in the Cuban context.” He also did not “think that Chavez will be very supported in the region.”

On the other hand, some worried that this benign state of affairs might worsen. “If we are not successful in the next 6 years,” argued a former Mexican secretary of finance, “the chances of an Obrador winning the Presidency in Mexico and getting support from Chavez is a real possibility.” Moreover, stressed an advisor to a Mexican state governor, “Chavez has been extremely smart in building up a base in Latin America with his petrodollar diplomacy. It works. He is not persuading other presidents to build an axis along some political lines. Rather, he has gone into poor neighborhoods in Latin America to fill in the gaps of failed governments. He helps poor people with medical care that their society does not provide.”

Confronting these risks, however, required a nuanced approach. One Brazilian investment banker advised not to “overdo it” since one “run[s] the risk of creating the

devil [one] fear[s].” He argued that Brazilians “are intrigued by the importance [the U.S.] give[s] to Chavez” as much as the U.S. is “intrigued by [their] lack of concern.” He was concerned that “[b]y exaggerating the risk [the U.S.] could create a new Latin American hero.” In particular, the “U.S. lack of immediate response in support of democracy when there was a failed coup in Venezuela and tacitly siding with a group of adventurers helped to propel Chavez to new highs of popularity.” However, he agreed that “[w]e would ignore him at our own peril.” Similarly, a Brazilian journalist argued that the “Chavez question will not be so critical for us in the next few months though it may be for the Venezuelans.” On the other hand, “Chavez has called for the socialism of the 21st Century,” but there are no “institutions to face this issue.”

A Brazilian banker expected that, following the end of Castro’s rule in Cuba, “Cuba will be a Caribbean tiger in the sense of the Asian tigers” because “[t]he animosity that exists in Florida will pass quickly after Castro.” Moreover, he argued, “Cuba has the location and potential to be a tiger in the capitalist world.” As a result, Cuba will be “westernized with improved relations with the U.S., leaving Chavez as the odd man out and yet still having to sell oil to the United States.” Bolivia, Chavez’s other regional ally, “is a small and poor country that can cause some problem . . . with natural gas, but this can be overcome with time and money,” argued a Brazilian journalist. He noted that “Chavez tried to intervene in Mexico, Peru and Panama but was repelled.” Thus, he concluded, “Chavez is a threat and danger for democracy, but he is not that dangerous. Let’s put him in perspective.”

To address any latent risk from Chavez, concluded one Chilean politics professor, “[t]he U.S. should support countries that act in a positive direction, like Chile, Mexico, Brazil, etc. If the U.S. acts unilaterally like over Chavez and Cuba it will be dangerous.” A former Chilean diplomat suggested working through the Organization of American States to “talk with Insulza . . . a clean, leftist politician,” to take “a strong position on Cuba” such that “people will understand it is not a personal position but the region reacting through him.” A more important concern, argued one Brazilian political consultant, is “what to do with not only Chavez but with semi-failed states including Bolivia, Ecuador, Surinam and Venezuela.”

V. Security Risks from Semi-Failed States

Though not a significant issue in any of the Latin American conferences, there was some interest to confronting potential security risks arising from semi-failed states, such as Bolivia, Ecuador, Venezuela, Suriname, and Paraguay. One Brazilian political consultant observed: “Regarding political stability – I would not say democracy – Brazil has an interest in helping the semi-failing states around us. Brazil has been trying to stay away from these regional problems but that is not possible anymore. Our interests are involved in smuggling, drugs, illegal immigration, environment, water, public health and sanitation problems.” Security concerns, argued a high-level Brazilian government official, raised “the question of frontiers for Brazil.” He noted that “[t]here is the proposal of Lula to give the status of terrorism of some actions in the past not considered such.” Consequently, he argued, Brazil “should have a new security pact among the federal, state and municipal governments.”

Similarly, a Brazilian investment banker argued that Brazil “will have security problems with the bordering failing states,” noting that “[m]ore than 80% of our oil comes from offshore platforms that are exposed.” However, he was concerned that Brazil’s “armed forces are basically unarmed and untrained” whereas there is a need for “armed forces, for example to deal with guerrillas that might evolve.” “Brazil has an area that is 40% of South America, ten neighbors, and 8,000 km of coast,” observed one Brazilian journalist, but has “a military that is in a very low state of readiness, including a carrier that has not left the dock for a year, only 4 out of 26 brigades that are combat ready, etc.” On the other hand, he conceded that “[s]ecurity arrangements remain with the U.S. and work relatively well” through annual “military exercises with the U.S. military and . . . military exchanges with the U.S.”

In contrast to the Brazilian military’s deployability and readiness, Chile highlighted the success with its peacekeeping mission to Haiti. A Chilean politics professor noted that Chile “received requirements from the U.S. in 2004 to respond to the withdrawal of U.S. forces” and “[w]ithin 48 hours, [had] put 400 men in Haiti completely prepared to do whatever they needed to do.” A former Chilean diplomat argued that “Haiti has improved . . . with forces there to really help them with social and other problems.” Moreover, he suggested that “[t]his has been a very successful experience and if Chile had not decided to be the first Latin American country to go,

others would not have done it.” As Chile’s rationale for the mission, he offered that it was “a way to share our values with other Latin American countries and to take responsibility for the poorest among us.”

VI. Conclusion

In Latin America, the primary concern was maintaining and enhancing economic growth, given increased competition from China and India. Traditional military security concerns were much less salient than in other regions, but there was perceived spillover risk from failed or failing states and prospect of guerrilla-type protests.

“Anti-globalization” backlashes appeared to be not directed at globalization itself but at the unequal distribution of its benefits, concentration of wealth, and the associated social exclusion of growing groups. There was concern that continued alienation of poor people from “low-performing governments” could tear some countries apart. In this context, the ideological alternatives offered by Castro and Chavez were attractive among the poor and indigenous peoples mainly for their hopeful message rather than any specific policies to alleviate the underlying social and economic conditions. To address these challenges, there was widespread consensus that trade should continue to be expanded through globalization and free-trade agreements with the United States, though domestic social and economic grievances would demand greater distribution of income.

Notably, there was declining, if any, regional identity in Latin America, which was perceived as several distinct subregions with individual national interests premised mainly around economics. Moreover, confidence in international institutions, such as the Organization of American States, the United Nations, or the World Trade Organization, was low. With a lack of natural regional leader, the United States was welcomed to play the role of a “broker” of regional disputes and facilitator of regional integration. From this perspective, post-Castro Cuba was identified as a test case for U.S. relations with all other states in Latin America.