The Challenge of Sustaining U.S. Influence in Latin America in the 21st Century

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William J. Perry Center
for Hemispheric Defense Studies

Perry Center Occasional Paper
March 2016
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Introduction

Influential international affairs author Robert Kaplan postulated during a recent speech in Washington DC that the contemporary effects of advanced technology and other factors of globalization does not change the world’s geography, “but has intensified it.” Kaplan also noted the aftershocks of the war in Iraq have negatively affected the United States’ (U.S.) ability to lead the world. A quick glance across an ominous geopolitical landscape reveals a rapidly-expanding China and its aggressive behavior in Asian waters, the swift and surprising rise of the Islamic State of Iraq and the Levant (ISIL) in Syria and Iraq, and the possibility of Iran developing nuclear weapons and the scenarios of nuclear proliferation that may come from a recently signed international agreement concerning it. This agreement relieves Iran of stringent economic sanctions. Other global concerns include the debacle of Grecian debt and Greece’s poor economic and fiscal policies which threaten the viability and future of the entire Eurozone, the return of diplomatic and military tensions with Russia due to its aggression in Georgia, Crimea, and Ukraine, and the inefficiencies in governance in sub-Saharan Africa, manifested in massive inequality, poor health and sanitation practices, and wide-spread corruption problems.

In the midst of these significant international issues, a disinterested U.S. population turned inward and elected a President focused primarily on domestic issues who, together with Congress, has since expanded the national deficit by unparalleled rates. In such an era, it is difficult to envision a scenario where the relatively successful Latin America region becomes a vital part of the U.S.’s top foreign policy priorities. Although powerful, the U.S.’s resources are indeed finite.

This essay will describe the competing global challenges and importance of the U.S. in sustaining its influence in the Western Hemisphere. The U.S. must maintain its role of leadership in Latin America as part of its grand strategy goals. By continuing to maintain balanced relationships with the neighboring nation-states in the Americas and preserve positive U.S. sway throughout the hemisphere, the U.S. can continue to build on its national goals of security, prosperity, and conserving the values of its citizenry while spreading these norms globally. It can do so while mitigating the negative impact from potentially competitor nation-states such as China, Iran, and Russia – which have never adopted the U.S.’s vision of the contemporary world order. By understanding the other challenges around the world, the potential consequences of diminishing U.S. influence by allowing hemispheric ties to further erode, and by exploring possible and affordable solutions for conserving U.S. power, the U.S. can ensure it builds on reciprocating gains to implement its grand strategy globally beginning right here in the Western Hemisphere.

Competing Priorities for the U.S. in the Post-Cold War World

The post-Cold War era is rife with challenges for the world’s sole-surviving super power. Since the fall of the Soviet Union more than two decades ago, the U.S. has struggled to maintain its influence around the world. With the threat of the Cold War over, nation-states have slowly morphed from being primarily security-seekers into states that shop themselves around for their own self-interest. The stability which defined the world with two super powers has devolved into a complex international domain with a series of multi-faceted issues and often overlapping intricate challenges. The U.S. attempts to retain its global domination in order to shape the world it desires, but this is increasingly difficult as its power and clout slowly diminish over time. China has capitalized on the wealth it gained through its state-controlled version of capitalism to invest in its infrastructure and increasingly in its military, especially its naval blue-water capabilities. It has exacerbated area tensions with its heavy investment in anti-access/aerial denial (A2/AD) capabilities over the last 20 years. With the second-highest military budget in the world, nearing $150 billion annually, China is provoking angst amongst its Asian neighbors, several of whom have long-standing security guarantees from the U.S.

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The U.S. is responding to China’s aggressive behavior by strategically “pivoting” towards Asia (also home to the unstable North Korea), attempting to disengage from a turbulent Middle East, and investing a substantial portion of defense and diplomatic resources into the region. This includes its Department of Defense’s (DOD) U.S. Pacific Command which is the largest of the U.S.’s six Geographical Combatant Commands.\footnote{Andrew J. Nathan and Andrew Scobell, “How China Sees America,” \textit{Foreign Affairs}, September / October, 2012, page 32.} However, the current strategy has yet to produce any significant change in China’s comportment. China is currently in the process of building four aircraft carriers (traditionally viewed as an offensive weapons platform),\footnote{Greg Austin, “The Truth about China’s Aircraft Carriers,” \textit{The Diplomat}, Accessed 05 March, 2016. http://thediplomat.com/2015/02/the-truth-about-chinas-aircraft-carriers.} while increasing its antagonistic behavior in the East China Sea, “island building” in disputed international waters in the South China Sea, and continuing to exercise shows of military force in the Straights of Taiwan.\footnote{Editorial Staff, “Making Waves,” \textit{The Economist}, May 2nd – 8th, 2015, page 37.} This is causing alarm with China’s neighbors such as Brunei, India, Japan, Malaysia, Taiwan, and Vietnam amongst others.\footnote{Ibid.} The security concern, which could also negatively affect the U.S. economically and diplomatically, in this region is obvious.

An additional area of immediate concern is the recent rise of ISIL in the poorly-governed Middle Eastern states of Iraq and Syria. ISIL rose to prominence following the debacle of the U.S.’s rapid withdrawal from Iraq in 2011 (arguably based on a 2008
presidential campaign promise). Originally a splinter group of Al-Qaeda, ISIL (which views itself as a legitimate state) took control of wide swaths of geographic territory in northwestern Iraq and southeastern Syria in 2014, slaughtering numerous innocent Shia, Christians, and allegedly disloyal Sunnis along the way. Its effective use of social media, graphic and horrifically-presented executions, and the emerging ability to establish a wobbly form of government shocked many throughout the Middle East and around the world. Whereas it certainly poses as a regional threat to U.S. citizens, its global threat to the U.S. is still widely debated. Although there is increasing support for an international alliance to combat ISIL, the uncomfortable combinations these military coalitions create makes policy implementation awkward at the tactical level. The international community seems to await U.S. leadership to confront ISIL, but the U.S., bogged down with other competing priorities, limited resources, and seemingly unwilling to consider deploying U.S. ground troops, appears to be foundering as it appeals to its allies to take the lead.

Although these issues are important, the U.S. and other major world powers are simultaneously struggling with containing the nuclear weapon aspirations of Iran. Having solidified an effective international coalition anchored in severe economic sanctions against Iran’s ability to acquire nuclear weapons, the Obama administration has controversially agreed to a series of inspections that will, in theory, delay the ability of Iran to

attain the nuclear bomb by a mere decade. Critics point out this deal legitimizes Iran’s nuclear ambitions, rekindles its economic engines (Iran routinely subsidizes terrorism in Iraq, Syria, Lebanon, and Yemen), and is largely predicated on Iran’s behavior, which has been disturbingly erratic for several decades.\textsuperscript{16} Israeli Prime Minister Benjamin Netanyahu called the deal a “stunning, historic mistake.”\textsuperscript{17}

In fairness to the Obama Administration however, the previous administrations of George W. Bush and William Clinton did little to impede either Iran’s or North Korea’s progress in this area. The counter argument is that continued or advanced economic sanctions may eventually have deterred Iran.\textsuperscript{18} Regardless of whether this was the correct agreement or not, future administrations will spend many hours many resources dealing with its aftereffects, either positive or negative.

Transitioning to Europe, Russia has once-again positioned itself as a formidable geopolitical foe of the U.S. under the pragmatic and shrewd leadership of former Committee for State Security (KGB) agent Vladimir Putin. Despite Putin’s close, personal relationship with former President G.W. Bush and the now infamous “reset” of relations by the Obama Administration, Russian aggression in Georgia in 2008, the annexation of Crimea in March, 2014, and an on-going military intervention in Ukraine has shaken Europe, “plunging it into one of its gravest crisis since the end of the Cold War.”\textsuperscript{19} The U.S., which has security guarantees with European members of the North Atlantic Treaty Organization, recently deployed military equipment and personnel to the area under the military exercise \textit{Operation Atlantic Resolve} in a show of force.\textsuperscript{20} Scholars, political scientists, and military analysts around the world struggle to explain Russia’s aggressive actions and accurately predict the Putin-led regime’s next move. The U.S., which is cutting its defense budgets by $200 billion annually over a 20-year time frame to save discretionary spending, finds itself unable to disengage militarily from this region.

Another pressing European issue that gets a large share of global attention, including the U.S.’s, is the economic situation in Greece. Greece has been on various forms of economic life support for several years because of poor economic and fiscal policies and a glaring lack of institutional capacity in areas such as tax collection. Greece is learning the problem with too many social programs is that someone actually has to pay for them. Greece is currently in debt more than $375 billion dollars


\textsuperscript{17} Ibid.


to the European Central Bank and other Eurozone governments, which have already helped it several times and refuse to give Greece any more loans without further economic restructuring.\(^{21}\) This matter became exceedingly complicated in the past several months as Grecians, frustrated by years of austerity-driven reforms, voted for a hard-left government led by the bombastic Alexis Tspiras, who has refused any more fiscal reforms that are necessary to receive more loans. In July 2015 alone, Greece has seen “barred banks, capital controls, the first International Monetary Fund default by a developed country, the collapse of a multi-billion Euro bail out, and plans...that may hasten...Greece’s exit from the Eurozone,” along with common Grecians begging in the streets.\(^{22}\) This calamity was borne out of the very foundation of the Eurozone where monetary unions are not matched up with fiscal and political unions. The U.S., which needs the other democracies of the world to assist in its implementation of democracy and open markets, eyes the situation warily. If Greece exits the Eurozone, the political and economic chaos that will follow will negatively impact the entire world significantly.

An additional area of concern is Sub-Saharan Africa. Africa which has vast economic potential counterbalanced by its challenges. There is concern in some scholarly circles that these large problems may offset any potential benefits. The huge problems of rampant inequality, a widespread lack of basic sanitation practices and the consequential health issues, and troubling corruption problems plague virtually the entire continent and slow down any progress the U.S. hopes to make by advancing its interests into this resource-abundant region. The U.S. has invested considerably in Africa for over 30 years however many question its return on investment.

Many of the problems in Africa are closely linked to the history of colonialism. Because of the great distances involved and the immense land mass that constitutes Africa, the colonial powers used indigenous Africans to manage and administer their colonies. This created a small, but exclusive class within the colonies.\(^{23}\) Most of the African politicians who took control from the European powers following colonial rule kept their positions for many years and used this initial legitimacy to retain their power. These elite African leaders are able to keep control of their states with the support of ethnic leaders in the different tribal areas throughout their countries.\(^{24}\) With no incentive to empower their ethnically-diverse constituents, the extensive lack of education contributes to poor sanitation and health conditions, widespread corruption, and atro-


cious Gini coefficient ratings. The U.S. sees both the economic potential of true democratic governments and the need to mitigate radical ideologies of terrorist groups such as *Boko Harem* and *al-Shabaab* which have recently emerged in this permissive environment.

Finally, the U.S. population,\(^{25}\) frustrated with the lack of progress in Iraq, elected a President in 2008 and then again in 2012 focused on domestic issues who expanded the national deficit by unprecedented rates.\(^{26}\) Approximately 85% of the American population are primarily concerned with domestic issues and “are neither well-informed nor interested in foreign policy issues.”\(^{27}\) The growth in the national deficit between 2007 and 2010 was $2 trillion dollars.\(^{28}\) The U.S. is currently spending $590 billion annually on the DOD, but only $50 billion on U.S. Foreign Assistance, of which $15 billion is used for the costs of running the 285 diplomatic facilities around the world.\(^{29}\)

Although foreign aid is often decried in American popular culture, it is the big three entitlement programs of Social Security, Medicaid, and Medicare, along with a new, massive health care entitlement program – The Affordable Health Care Act – which consumes the majority (67%) of the annual budget.\(^{30}\) With Americans being disengaged from foreign policy and reluctant to raise taxes or cut benefits, the economic future of the U.S. looks bleak. The U.S. “needs serious change in its fiscal, entitlement, infrastructure, immigration, and education policies” to stay valid. It does not appear to have the political will to do so, however.\(^{31}\)

With these complex issues (not even considering the war in Afghanistan or the issues in neighboring Pakistan) taking so much of national leader’s time and efforts and with limited financial resources, it is apparent to even a juvenile student of international affairs the relatively democratic Western Hemisphere is not a top priority for the U.S.. While there are indeed numerous issues which need assistance and improvement, compared to the large economic, governance, and security challenges aforementioned, it is relatively easy to understand why Latin American can easily be forgotten in U.S. foreign policy goals. Both Presidents Bush and Obama attempted to spend more time confronting hemispheric issues, but their “over-crowded agenda left little room for Latin America.”\(^{32}\) This is further complicated by the philosophy of the current adminis-

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\(^{29}\) Ibid.

\(^{30}\) Ibid.


ration elected twice to change the domestic direction of the U.S. which is reflected in a high priority placed on controversial domestic issues such as health care, same-sex, marriage, and transgenderism, while acquiescing many polemical international issues to international and intergovernmental institutions (IGOs) with a strategy termed “leading from behind.” There are however, potentially negative consequences for losing the Western Hemisphere.

The Risk of Losing the Hemisphere

Although Latin America does not suffer from the same challenges as described above, it certainly has areas where it can improve. There is plenty of room for the U.S. to have bilateral and multilateral agreements which will work to the benefit of both the nation-states of Latin America and the U.S.. At the inaugural Summit of the Americas in 1994, the “Americas were portrayed as a natural community of nations.” The U.S.’s goal in this fresh, new era following the collapse of the Soviet Union was an, “integrated hemisphere of democratic nations” that would allow the U.S. to compete with the EU and Asian trading blocks. The U.S.-led coalition still had nearly unanimous support for the Inter-American Democratic Charter in September, 2001, in Lima, Peru. Expectations ran high in this period when compassionate-conservative U.S. President G. W. Bush promised to cease nation-building abroad and build stronger ties with Latin America starting with his personal relationship with Mexican President Vicente Fox.

The terrorist’s attacks on September 11th changed everything, of course. The U.S.’s focus on the wars in the Middle East, the widely-adopted Washington Consensus and its rigid austerity measures, the mixed results of the various economic models of Import Substitution Industrialization being attempted throughout Latin America, and the continued lack of wealth distribution soon caused changes in the types of various democracies in Latin America.

Seizing on historical examples of controversial U.S. involvement in Guatemala with the United Fruit Company, the decades-long embargo against Cuba as well as the failed Bay of Pigs invasion there, the alleged involvement of the U.S.’s Central Intelligence Agency in various coups throughout the region such as Salvador Allende’s in Chile in 1973, several populist leaders with intense anti-U.S. rhetoric were elected within the last 18 years. Following the leadership of Venezuela’s Hugo Chavez, populist candidates used the U.S. as a “straw man” for their domestic woes and successfully

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33 Ibid.
34 Ibid.
35 Ibid.
sold these claims to newly, mobilized indigenous voters. They promised them social inclusion, economic benefits, and greater equality in exchange for their vote.

With the threat of communism eliminated (which historically kept smaller states politically aligned with either the Soviet Union or the U.S.), rising states such as Argentina, Brazil and Mexico and began to seek South-South cooperation agreements amongst each other. Others, such as Venezuela, turned to China, Cuba, and Iran for possible bilateral ties. Brazil, which sees itself as a rising global leader, created the Common Market of South America to establish its own hemispheric influence and counter the U.S.’s North American Free Trade Agreement with Canada and Mexico. Venezuela launched the Alliance for the Bolivarian Revolution as the world collectively began to frown on the U.S.’s invasion of Iraq. Latin America, with the exception of a few states, climbed onboard the international bandwagon.

It is important to consider that the democracies in Latin America have historically been weak, with only a few being true consolidated democracies with full human rights, true freedom of the media, and effective law enforcement capabilities over time. In this context, as the new populist leaders emerged, several – in Bolivia, Ecuador, Nicaragua, and Venezuela – changed their constitutions and dramatically expanded the powers of the executive branch. Although voters simply wanted more inclusion and financial success, in these particular countries a gradual erosion of democracy is evident. Part of the root causality is the historical unwillingness of the wealthy and elite within Latin America to share power and prosperity with the masses. In addition, high levels of corruption pervade nearly all the countries of Latin America (Chile and Costa Rica being notable exceptions). Into this vacuum the U.S.’s geopolitical competitors have emerged, including China, Iran, and Russia.

Russia is reportedly planning to supply Nicaragua with MIG-29 fighter jets in addition to the patrol gunboats it offered in 2013. These weapon systems and deep political ties cause concern on neighboring democratic Central American countries. However, although it is politically sympathetic to nation-states such as Cuba and Nicaragua, there is little in economic benefit for Russia in terms of trade with the two states. Arguably, the cause for the fall of the Soviet Union was its inability to support its burdensome satellite states and Russia does not appear ready to start a new round of this in either Cuba or Nicaragua. The arms-for-medicine-for-oil trilateral trades between Cuba, Iran, and Venezuela have long been one of the world’s worst kept secret. This is worri-
some to the U.S. because of the increasing levels of alleged terrorism fundraising in the tri-border area of Argentina, Brazil, and Paraguay, and Iran’s well-documented history of funding international terrorism.

China, whose president Xi Jinping attended the 6th annual BRICS summit in Brazil last summer, is giving or planning massive amounts of foreign aid to Latin American countries including: a) the majority of the $100 billion in start-up costs of a new Brazil, Russia, India, China, and South Africa bank to be headquartered in Shanghai, b) an $11 billion currency swap with Argentina, c) $7 billion in two railroad projects in Argentina, d) $20 billion for a Regional Development Fund in Brazil, e) $9 billion for the cash-strapped Venezuela whose currency manipulation has the country running out of basic necessities such as toilet paper, f) the possible construction of a transcontinental railway from Brazil to Peru for the export of soy to China, g) the proposed building of a $50 billion transcontinental canal through Nicaragua to rival the Panama Canal, h) $6 billion in grants and loans to Cuba, and i) $500 million in sales of Chinese-made helicopters, planes, grenade launchers, rocket launchers, and additional military hardware to Venezuela.39

China, and to a lesser extent Russia and Iran, “[have] provided tens of billions of dollars …to nations…whose actions have helped undermine democracy, security, and

39R. Evan Ellis, “China fills the Vacuum Left by the U.S. in Latin America,” 04 August, 2014, Perspectives on the Americas, University of Miami, Center for Hemispheric Policy, page 3.
good governance.” This is the essential need for the U.S.’s sustained involvement in the hemisphere. The loss of U.S. power in the region may cause the further erosion of democratic ideals because of the increased involvement of communist and authoritarian governments. Systematic issues in Latin America include high levels of corruption (as evidenced by the ongoing scandal with Brazil’s Petrobras), the illicit trafficking of narcotics not only north into the U.S., but also increasingly east into Africa and west to Asia and Europe, along with a persistent lack of governmental institutional capacity. The anti-American rhetoric which propelled many of the leaders into their executive positions is normally grounded in the U.S.’s Cold War support for autocratic regimes in the region, the trade embargo against Cuba, and an incoherent U.S. domestic drug policy that criminalizes marijuana use in some U.S. states and legalizes it in others – while asking Latin American states to fight the federal drug trade for the U.S. (which has a massive domestic drug consumption problem). Latin Americans generally perceive the U.S.’s anti-drug policies as ineffective and the principal source of many of their own problems of organized crime and violence.

Compared to the numbers being spent by China in Latin America, the U.S. simply cannot compete, especially considering that the U.S.’s global commitments and diplomatic ties essentially mean that its few foreign aid dollars have to be spread much further than China’s. While China’s government is not as transparent with its aid as the U.S., the U.S.’s aid package for 2016 for the region appears to be paltry in comparison, with no foreign aid planned for the contentious Bolivia, only $2 million for the Correa-led Ecuador, and $3.4 billion for the strategically important and U.S.-friendly Panama, to name a small sample. The $33.7 billion the U.S. has budgeted to assist all nations around the globe goes fast. The question is to who and for what.

**Effective Solutions for Sustaining Influence**

To grapple with this difficult problem, it is necessary to refer to the U.S.’s *National Security Strategy*, and the documents that originate from its guidance. In keeping with the U.S.’s goals of supporting a common global vision of “freedom, stability, and prosperity,” the January 2012 DOD’s *Sustaining U.S. Global Leadership* guidance also articulates that “whenever possible, we will develop innovative, low-cost, and small-

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40 Ibid.
42 Ibid.
footprint approaches to achieve our security objectives.”\(^{44}\) The Department of State’s (DOS’s) 2010 Quadrennial Diplomacy and Development Review skillfully supports these security objectives diplomatically, listing six specific areas: 1) sustainable economic growth, 2) food security, 3) global health, 4) climate change, 5) democracy and governance, and 6) humanitarian assistance.\(^ {45}\) By reviewing these key documents and their priorities, it is apparent – given the U.S.’s global commitments, limited resources, and the political tensions throughout the hemisphere – that the U.S. should concentrate its efforts in Latin America on enhancing democracy and governance, sustaining economic growth, and building institutional capacity (including military) all anchored in the democratic goals of freedom and stability.

The U.S. can focus on several aspects of improving and enhancing democracy and governance in Latin America in an affordable manner. Using its already-established diplomatic posts, it should focus on improving diverse areas of governance. These include judicial reform and combating corruption, multilateral security agreements, encouraging the use of the newly developed South-South institutions, and emphasizing power-sharing as much as possible.

Judicial reforms and corruption levels (closely-linked) are some of the main issues throughout Latin America. Although some of Latin American countries are in the middle range or far down on the Fund For Peace’s Fragile States Index (FSI) compared to less-developed regions in Africa, Asia and the Middle East, unfortunately “two-thirds of its countries come in the bottom half of Transparency International’s ‘Corruption Perceptions Index.’” Improvements can be made.\(^ {46}\) Better and less corrupt judges and prosecutors will strengthen the rule of law. This will make daily transactions more transparent in environments where estimated costs of corruption run from an estimated 1.5 – 2% of the GDP annually both in Brazil and Peru, for example.\(^ {47}\)

It appears a positive effect of globalization and the rapid proliferation of communication technology has made this an area suitable for improvement, in a geographical area that has a “long and futile” history of combatting corruption.\(^ {48}\) A review of the FSI shows that with the exception of Haiti (#11), the rest of the region is far down on the scale of states with governing concerns (Colombia is next at #61 and Nicaragua #72).\(^ {49}\) The success of democracy and its inherent freedom of the press has substantially improved levels of corruption awareness in the five noteworthy states of Brazil,
Colombia, Honduras, Mexico, and Peru. The U.S. can use the IGOS already in place it helped create when it internationalized its Foreign Corrupt Practices Act (FCPA) of 1977 with the United Nation’s Anti-Bribery Convention, and the establishment of transparent evaluations through the Mutual Evaluation Process under the Financial Action Task Force (FATF). The FATF and its FATF-Style Regional Bodies (FSRBs) are making financial transactions more transparent. The objectives of the FATF are “to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.” The FATF’s global network of FSRBs includes the regional Caribbean Financial Action Task Force (CFATF) and the FATF of Latin America, (GAFILAT). The Western Hemisphere’s Organization of American States (OAS) also adopted the Inter-American Convention Against Corruption (IACAC) in 1997, lending political credence to the matter.

Together, along with Transparency International, the U.S. can use pre-committed funds from Plan Colombia, the Merida Initiative, the Central America Regional Security Initiative, and the Caribbean Basin Security Initiative to help combat corruption in Latin America. It can also deploy the Department of Justice (DOJ) and members of

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52 Ibid.
the DOD’s Judge Advocate Corps to assist judicial reforms in an inexpensive manner. The U.S. can employ the countries it has invested in so heavily with the previously mentioned multilateral agreements to export their lessons learned to neighboring states. Countries such as Colombia, El Salvador and Mexico have made marked improvement in their capacities and the U.S. can encourage them to export these ideals regionally.

Because Latin American states have already bought into the concept with their establishment of the FSRBs and the adoption of IACAC over the last 20 years, power-sharing and promoting the use of these IGOs along with the other South – South IGO institutions is already in place. Emphasizing democracy and the rule of law, as well as treating the Latin American states as equals may be frustrating for U.S. leaders, but with so many other challenges in the rest of the world, it appears to be a viable option. Secretary of State John Kerry alluded to this during a speech at the OAS in November, 2013. In what he referred to as “a new inter-American partnership,” Kerry challenged the other members to “work as equal partners in order to achieve our goals.”

According to scholar Abraham F. Lowenthal, the U.S. should also encourage innovative thinking and sustained attention. This attention is relatively inexpensive, although it is often difficult to carve more time out of the President’s already-filled schedule. Frequent regional visits by Cabinet members and reciprocating visits to the U.S. are imperative as well. Additionally, the U.S. should concentrate more on what is does as opposed to what it says. “America needs to talk less about its exceptionalism and focus more on demonstrating it,” one team of scholars recently opined. This may be difficult for the current administration which has been criticized for being heavy on rhetoric and seemingly light on action.

Another area the U.S. can find a viable model for increased sway in the Western Hemisphere is through sustaining economic growth. Following open market economic theory, the U.S. can continue its efforts to bring Latin American states into free trade agreements and push for further inclusion in regional and global agreements including the Trans Pacific Partnership (TPP). It is currently doing this well. By doing so, the U.S. encourages Foreign Direct Investment (FDI) through Multi-National Corporations (MNCs) abroad and also encourages FDI back to the U.S. Nations who do conduct business together normally grow close and often work together in other international forums on various unrelated issues.

Since 1994 the U.S. has established free trade agreements with Canada and Mexico (1994), Chile (2004), Peru (2009), Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Panama (2012). These recent free trade agreements will, according to economic free trade theory, provide increased

56 Elbridge Colby and Paul Lettow, “Have we Hit Peak America?” Foreign Policy, July / August, 2014, page 63.
access to quality of life goods for both nation-states.\textsuperscript{58} The net effect of these newly opened markets will enhance the U.S.’s soft power, which according to scholar Joseph Nye, may help a country “achieve its preferred outcomes in world politics because other countries want to emulate or have agreed to a system that produces such effects.”\textsuperscript{59}

The flow of business both ways will offset some of the regional investments made by China. Additionally, MNCs can accentuate to the foreign elite how China’s business investments are primarily for extractable resources and heavily reliant on the importation of Chinese laborers which will be physically visible to Latin American voters. These voters may view the Chinese laborers in their country as threats to their own domestic labor jobs. The Chinese economic model of harvesting extractable resources is not sustainable over the long term. Furthermore, and importantly since the adaptation of the FCPA, U.S.-owned businesses assume significant legal risks for being involved in corruption and the partner nation adaptation of this anti-corruption norm will increase over time as these trade relationships solidify. The inclusion of Chile, Mexico, and Peru in the TPP will strengthen the economic ties with these states, tearing down additional communication, cultural, and trade barriers.

The building and reinforcement of institutional capacity is the final affordable step to continued engagement throughout the hemisphere. Many Latin America analysts discern the enormous gains Colombia has made since its adaptation of Plan Co-


\textsuperscript{59} Ibid, 45.
Lombia and its strategic partnering with the U.S. less than 20 years ago. Although widely viewed as a counter narcotics strategy, the actual foundation of this alliance is based on improving the institutional capacity of the Colombian government. In a manner similar to the use of the DOJ in implementing judicial reforms, the U.S. can maximize its limited resources in Latin America by concentrating its efforts on the improvement of each partner nation’s already existing institutions. Although each state has its own strengths and weaknesses, this essay will use the ubiquitous “Ministry of Defense” as an example of how to improve institutional capacities.

The U.S.’s DOD and its Southern Command (SOUTHCOM) does this by “innovative and low-cost approaches,” which includes annual exercises, rotational exercises and advisory roles.60 It should be noted SOUTHCOM also looks across the U.S. Embassy’s Country Teams and searches for areas to share costs on similar departmental objectives, such as overlap with the Drug Enforcement Agency and the Bureau for International Narcotics and Law Enforcement Affairs. The DOD also uses the U.S. Army’s State Partnership Program to utilize National Guard resources to accomplish its institutional capacity-strengthening goals. One of those goals is the improvement of their non-commissioned officers which are resources the partner states have organically.

By working through tri- or multilateral security cooperation agreements, the U.S. can and does effectively assist in improving the capacity of its regional allies to support international efforts against illicit trafficking, respond to natural and humanitarian disasters, and contribute to multinational peacekeeping efforts.62 Brazil has done so with over 9,000 soldiers in Haiti for many years. Additionally, Uruguay currently contributes more soldiers per capita than any other nation in the world to international peacekeeping efforts.63 The U.S. needs to sustain these relationships and encourage other nations to contribute more as well.

This model can and should be scaled across the various departments of every U.S. Embassy. Additionally, as nations become wealthier, they should be asked to contribute more of their own resources to receive the U.S.’s assistance. Each country is different and every region’s challenges are dissimilar as well. For example, the U.S. Agency for International Development is currently working with Peru to enhance their previously non-existent forestry service as illegal logging has taken a toll on the

60 Douglas M. Fraser, General, Commander, United States Southern Command, “Posture Statement to the House Armed Services Committee,” 06 March, 2012.
62 Ibid.
environment in its tropical region. By working multilaterally and supporting a results-focused dialogue and agenda, the U.S. can maintain its influence and importance in the hemisphere. The autocratic China, Iran, and Russia all struggle with the soft power concept and the U.S. should exploit its advantage in this area in the years ahead.

There are a few other areas the U.S. should tackle as well to reclaim its supremacy in the Western Hemisphere. The U.S. appears irrational (externally) with its current national drug policy. Individual states’ laws differ greatly from federal laws and the recent pardoning of 46 U.S. drug traffickers sends a mixed message to our partner states. It is important that the U.S. speak with one voice to regain credibility in the region. The U.S.’s 2013 National Southwest Border Counter Narcotics Strategy, which emphasizes the south-bound trafficking of bulk cash and firearms as well as north-bound narcotics, helps in this regard from a Latin American perspective.64

Additionally, the U.S. needs to pass meaningful immigration reform. The tens of thousands of Central American children who illegally immigrated to the U.S. in 2014 and the subsequent images of them in “detention camps” were received poorly in Latin America.65 U.S. immigration, either legal or illegal, is an important issue to all Latin

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64 United States of America, National Southwest Border Counter Narcotics Strategy. 2013, page 7.
America states which receive more than $61 billion annually in remittances from people living abroad; especially Mexico ($22.7 billion), El Salvador ($3.6 billion), and the Dominican Republic ($3.1 billion). With its existing policy a fiasco and the current administration preferring to maintain the status quo (arguably because awarding citizenship to illegal immigrants may ensure the Democrats retain power for the foreseeable future), the political system is gridlocked. This needs to be resolved quickly.

The U.S.’s lack of military intervention in the hemisphere since 1989’s Operation Just Cause in Panama has been widely applauded by Latin Americans. The coup in Honduras in 2009 came with some expectations that the U.S. would intervene militarily. Despite some criticism of the Obama Administration, its use of diplomacy in this situation appears to have been the right solution. The U.S. needs to concentrate its military efforts primarily on building partner nation capacity. Refraining from using the U.S. military for intervention removes another “proverbial arrow from the quiver” which populists frequently use when blaming their domestic problems on the U.S.

Conclusion

This paper explained both the challenges and the importance of the U.S. sustaining its influence in the Western Hemisphere. It also offered some feasible solutions for policymakers to use for U.S. Grand Strategy implementation. By continuing to maintain forward-looking relationships throughout the Americas, the U.S. can build on its own national goals of security, economic prosperity, and preserving the ideals of its citizenry. It must continue do so while proliferating these norms and mitigating the negative effects of authoritarian nation-states such as China, Iran, and Russia. It can do so by focusing on judicial reforms and combating corruption, mutually beneficial trade agreements, enhancing institutional capacities, encouraging the use of the new South-South IGOs, and emphasizing power-sharing.

There are good indicators that Latin America is turning a corner. The recent free trade agreements are a positive sign. The massive remittances demonstrate the personal ties which links the U.S. to its hemispheric neighbors; an important component of any relationship is the personal relationships involved. Indeed, Latin America is a “favorable neighborhood…and (an) easy opportunity to regain international credibility.”

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The U.S.’s lack of recent military intervention, the success of the adaptation of the FATF, FSRBs, and IACOC, along with the long-awaited beginning of normalization with Cuba is encouraging. Not only does the changing Cuban relationship remove a source of contention from regional leaders, but potential U.S. business interests are large. The probable influx of soft power coupled with the advanced age of the Castro brothers are exciting components of the possibilities ahead. The risk of a new node for transnational crime is a potential negative consequence.

In 2015, Latin America is dynamic and changing. As the U.S. contemplates its foreign policy there, in this challenging global era, Kaplan’s recent advice is appropriate. He advises the U.S. to move forward with “caution, restraint, and strategic patience.” An emphasis on open markets, democracy, improved institutional capacity, and a shared parity with the U.S.’s regional partners appears to be the correct proposed prescription.


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