

## TRENDS

# Expectations Collide With Reality

by Taylor Boas



Photo by Doug Cadmus.

A Guatemalan Internet cafe.

Latin America is going through a period of internal cultural change and regional fragmentation. The first process, a product of newfound democratic empowerment combined with continued economic marginalization, has led to increasing demands for the reduction of poverty and inequality. This outpouring of political participation has showcased the strength of democracy in Latin America but has also led to a crisis of representation, with many existing political parties and politicians finding it difficult to respond to popular aspirations. Simultaneously, the strong support for hemispheric integration that characterized much of the 1990s has given way to an ambivalent stance toward free trade, both in Latin America and the United States. Rifts

between Latin American countries have also begun to expose new fault lines in the region.

Ambassador Juan Gabriel Valdés, director of public diplomacy for the government of Michelle Bachelet and Chile's former Permanent Representative to the United Nations, began his analysis of the current situation in Latin America with a discussion of the economic difficulties facing the region. Forty percent of Latin America's people live in poverty, and the region's per capita economic growth rates — 4.2 percent in 2007 and an expected 4.5 percent in 2008 — are not enough to fund bold social programs. Even in countries such as Chile that have substantially reduced poverty, high levels of inequality remain. The media and communications revolutions have exacerbated perceptions

of these problems; thanks to television, cellular phones and the Internet, young people in Latin America are increasingly aware of their social and economic marginalization. The gap between the haves and have-nots often takes on a geographical dimension, which is becoming visible in voting patterns. Mexican presidential candidate Andrés Manuel López Obrador won overwhelmingly in the country's impoverished southern states but lost to Felipe Calderón in the more prosperous north. Likewise, Brazilian president Luiz Inácio Lula da Silva was reelected with strong support in the poor northeast but only a minority of votes in São Paulo, his political birthplace.

Social and economic exclusion in Latin America has generated political activism and demands for change in many countries, a trend that Valdés characterized as generally positive for democracy in the region. People feel empowered by democracy, and they are making use of their newfound ability to challenge governments that are not addressing poverty and inequality. The poor are voting enthusiastically at higher rates than ever before. Marginalized ethnic minorities are asserting themselves at the ballot box rather than through violence. And while 14 presidents have been removed from power by popular mobilizations, democratic

institutions were respected in the majority of these cases — the unpopular incumbent resigned, an interim president took over and elections were held to choose a permanent successor. Many electoral campaigns have involved confrontational rhetoric, but losers have respected the results. Even in Mexico's disputed 2006 presidential election, the country's institutional framework ultimately prevailed. And while many observers have characterized recent electoral outcomes in Latin America as a shift to the left, Valdés underscored that the region is not relapsing into statism or embracing an anti-market ideology. Recognizing the limitations of the Washington Consensus or taking a realistic view of the costs and benefits of globalization are not the same as rejecting sound principles of economic management.

Despite the democratic nature of recent political trends in Latin America, Valdés argued that the region's representative institutions are clearly in crisis. Legislatures and parties have proven incapable of responding to new social demands and expectations in many countries. This trend has fueled a surge of populist democracy in Colombia, Ecuador, Peru and Venezuela, where presidents have strengthened their authority by cutting into the mandate of elected parliaments

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Argentines protest a cross-river Uruguayan pulp plant.



Photo from Associated Press.



Photo by Hernán García Crespo / Calatipografía

Made in China, merchandised in Mexico.

and engineering their own reelection. Along with Evo Morales in Bolivia, the presidents of these countries have also convoked assemblies to reform their constitutions in ways that altered the balance of power among different subnational regions. While maintaining that electoral democracy is here to stay in Latin America, Valdés insisted that durability does not equal health. “Electoral democracy is part

of our landscape; representative democracy is in evident crisis.”

Latin America’s new political and economic reality also coincides with the United States’ loss of standing in the region. Politicians continue to say that they want cooperation with the U.S., but it is unclear what such cooperation entails beyond maintaining an anti-drug and anti-terrorism stance. In the 1990s, leaders of both the U.S. and

Latin American countries talked about the positive aspects of free trade and regional integration, but enthusiasm for such a “hemispheric approach” has dampened in recent years in both the North and the South. The U.S. has abandoned the Free Trade Area of the Americas initiative; Brazil is no longer committed to hemispheric integration as it once was; and there is general disillusionment about the North American Free Trade Agreement (Nafta) as a model for the rest of Latin America. In the aftermath of the 2006 midterm elections in the U.S., and with a Democratic presidential victory possible in 2008, it is hard to envision future trade agreements being approved by Congress. “The wall that... is to be [built] at the Mexican border is the last and almost surreal epitaph for the Nafta of the 1990s,” argued Valdés. Americans appear unconcerned about deteriorating ties with their neighbors to the south; a recent poll found that only 7 percent think relations with Latin America are relevant to the United States.

A reluctant stance toward regional integration affects not only Latin America’s relations with the United States but also its countries’ interactions with one another. Valdés pointed to signs of a return to confrontation in intraregional relations. When Argentina and Uruguay could not resolve a recent disagreement over the construction of paper mills via the dispute resolution mechanisms of Mercosur, Argentina turned instead to the International Court of Justice in The Hague, and King Juan Carlos of Spain ultimately had to step in as a mediator. Similarly, Peru went to the Hague court in an effort to have its maritime borders with Chile redrawn after the two countries failed to resolve the issue through bilateral negotiations. The globalization discourse of the 1990s claimed that geopolitics was

obsolete, but the region is seeing a return to geopolitical struggles over hydrocarbons, with recent disputes about natural gas straining relations among Bolivia, Chile, Argentina and Brazil. Valdés pointed to positive signs in Brazil's efforts to promote regional integration through infrastructure projects and rapprochement between Mercosur and the Andean Pact. However, he maintained that Brazil and Argentina have yet to put their personal interests aside to work for the betterment of the region by playing a leadership role within Mercosur similar to that of France and Germany in post-war Europe.

In the discussion session following his talk, Valdés took advantage of several opportunities to expound upon issues of hemispheric integration and relations with the United States. In response to a question about a possible trend toward bilateral rather than multilateral trade agreements, Valdés highlighted the increasing interest in trade with China among many South American countries. Sino-Latin American relations are yet another area of growing division among the region's countries. While Mexico and Central America tend to view China as a low-cost manufacturing competitor, many South American countries see it as a market for their raw material exports. Chile, in particular, is also looking abroad to other countries, such as Ireland, New Zealand and South Africa, as both trading partners and possible models of economic development. Given these trends, Valdés argued, a hemispheric trade deal that would prohibit bilateral agreements with Europe or Asia is clearly off the table.

In response to a question about the potential for improved U.S.–Latin American relations after the 2008 presidential election, Valdés highlighted the importance of a multilateral foreign policy stance

regardless of which candidate wins. More often than not, the United States has taken a unilateral approach to foreign policy rather than working with Latin American countries as partners. As Mexico's former ambassador to the UN, Adolfo Aguilar Zinser, once said, the United States typically wants Latin American countries to prove their loyalty by taking its side in international disputes rather than by solving problems together. This has long been a source of frustration to the United States' southern neighbors. An approach in which countries are forced to be either enemy or ally of the United States is one of the worst aspects of the current administration, argued Valdés. A multilateral approach to

foreign policy would offer the next U.S. president substantial opportunities for improving relations with the rest of the hemisphere.

**Juan Gabriel Valdés** was Chile's Permanent Representative to the United Nations (2000-03) and a member of the Security Council during the deliberations prior to the invasion of Iraq. Subsequently, he served as head of the United Nations Stabilization Mission in Haiti, and he is now the director of Chile's public diplomacy program. He spoke for CLAS on February 6, 2008.

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Latin American presidents shatter water jugs in a good-luck ceremony.



Photo by José Manuel de la Maza/www.presidencia.cl