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Will the US “Lose” Latin America?

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On November 4-5, the fourth Summit of the Americas took place in Mar del Plata, Argentina. The heads of state of the hemisphere’s democratic countries met to discuss economic, political, and social issues – and to lose another opportunity to create a new and healthier relationship between the United States and its Latin American neighbors.

Indeed, the Summit amounted to nothing more than an outsized photo opportunity. No important issues were resolved, and no progress was made on the many topics that increasingly divide the countries of Latin America and the US. In particular, no progress was made on the creation of a free-trade area for the region.

This is all the more disappointing, given that the region’s leaders declared more than a decade ago, during the first Summit of the Americas, held in Miami in December 1994, that free-trade negotiations would be “concluded no later than 2005.” At the center of the failure to make headway on the creation of the Free Trade Area of the Americas (FTAA) is America’s unwillingness, and that of the Bush administration, to open up its agricultural sector to competition from countries such as Argentina, Brazil, and Uruguay.

True, the US is not the worst offender in the world when it comes to farm protectionism; the European Union’s trade distortions are significantly more pervasive. But it is also true that if the US wants to improve relations with its neighbors to the south, America should make significant *bilateral* trade concessions to the Latin American countries. In the absence of US leadership in matters of international trade, the majority of Latin American countries will not open their economies further to foreign competition, and some may even return to increased protectionism.

Unfortunately, the lack of progress on trade-related issues is not the only burden on relations between the US and Latin America. There are also serious diplomatic and political problems.

Very few Latin American countries support the Iraq war; indeed, only a handful of small countries in the region contributed troops to the so-called “coalition of the willing,” and today only El Salvador still has its troops in Iraq. More broadly, most Latin American governments are increasingly critical of the Bush administration’s foreign policy, and they are unlikely to support major initiatives in international forums, including in the United Nations.

Moreover, a growing number of Latin American countries are veering left, and Hugo Chávez, the belligerent and anti-American Venezuelan president, is becoming increasingly popular in every Latin American country. Voters across Latin America are becoming skeptical of market-oriented policies and globalization, making it more likely that in coming years, and under new leadership, economic policies in the region will be less friendly to foreign investment in general, and to US economic interests in particular.

It is not too late for the US to regain its political and diplomatic influence in Latin America. But improving relations with its neighbors to the South will require making commitments at several levels.

Three commitments are particularly important. First, US agricultural protectionism should be reduced. Second, immigration reform in the US should be enacted in a way that protects the rights of Latino migrants. And, third, the US should support the demands of Latin American countries for a greater say in international institutions such as the World Bank and the International Monetary Fund.

These initiatives will give the signal to Latin American leaders that, despite appearances to the contrary – including the latest Summit of the Americas – the region has not been completely neglected by President Bush and the US.

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