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**ODEBRECHT**





# Foreword

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*Sergio Amaral*

This special issue of *Revista de Economia & Relações Internacionais* contains presentations by four illustrious scholars who specialize in the study of international relations, delivered at the seminar held to unveil Centro de Estudos Americanos, FAAP's new Center for American Studies in São Paulo, Brazil.

Some three decades ago there were only two or three courses on International Relations in Brazil. Today there are more than 90. Centers for studies of specific countries are practically non-existent, however. Hence the significance of this innovative and pioneering initiative by FAAP, which is part of its internationalization project.

The presentations reproduced in this issue of *Revista de Economia & Relações Internacionais* offer a range of views on how the United States of America sees Brazil and how Brazil sees the USA. This is what we call "crossed regards".

Our aim in publishing this issue is to offer an introduction to the research and discussions that the Center will organize from now on to promote a deeper mutual understanding between the two countries.

**Sergio Amaral**

Director, Centro de Estudos Americanos

# Welcoming Address

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*Celita Procopio de Carvalho\**

Governor José Serra, your presence among us at this opening ceremony is a great honor for Fundação Armando Alvares Penteado and its Center for American Studies. Thank you very much for coming.

I would also like to thank Christopher McMullen, U.S. Consul General in São Paulo, for being here today and representing U.S. Ambassador Clifford Sobel. Ambassador Sobel has given invaluable support to the creation of this Center. I am sorry that other engagements prevent him from being here today and hope he will be among the first to present his vision of the U.S. to the new Center.

It is a great pleasure to welcome three former Brazilian ambassadors to the United States: Rubens Ricupero, director of the School of Economics & International Relations at FAAP; Rubens Barbosa, who has relinquished a similar initiative to participate in this Center; and Roberto Abdenur, one of the people who inspired and promoted the idea when he was still in Washington, together with Carlos Eduardo Lins da Silva.

Welcome to Ambassador Sergio Amaral, director of this Center.

I would also like to thank a number of professors and directors of academic institutions for honoring us with their presence here today, as well as Ambassador José Botafogo Gonçalves, President of Cebri, a partner of FAAP, and business leaders such as Alexandre Silva, President of the American Chamber of Commerce in São Paulo, who right from the start have applauded the idea of creating this Center and announced their intention of supporting it.



Teachers and students of FAAP, ladies and gentlemen:

FAAP was born with a cultural and international vocation. Count Armando Alvares Penteado, after a long stay in Europe and inspired by what he had seen and learned there, left a will saying that his estate was to be used to create a school and museum of fine arts in São Paulo, and this came to pass in 1961. A few years later, in the 1970s, FAAP began steadily extending its mission into the field of education. More recently, the Foundation has been conducting more activities in the international sphere. First, it has been one of the most active participants in an intense cultural exchange. While hosting important exhibitions of European, Latin American and Asian art, it has become an active promoter of Brazilian culture both at home and in the world's leading art centers.

The exchange of teachers and students has grown exponentially and today FAAP is home to more than a hundred foreign students. An agreement between FAAP and Argentina's Council for International Relations (CARI) promotes a

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\* **Celita Procopio de Carvalho** is President of the Curators Council of the Armando Alvares Penteado Foundation.



very productive exchange of information and opinions on our two countries. Cooperation with the Lisbon Institute for International Economic Studies, meanwhile, focuses on the study of the relations between Mercosur and the European Union.

The creation of this Center for American Studies is one more important step in the internationalization of our courses, methods and study areas in international relations. It has always been anomalous for Brazil not have a center for the study of any individual country despite the growing interest in the study of international relations. The creation of this Center at FAAP will help to fill this gap.

The Center is open to cooperation by all those in Brazil and the United States who share the same goals. It is also willing to partner with cultural, academic and business entities interested in developing projects, seminars and other kinds of exchange on topics of common interest.

In embarking on this project, which one day may extend its scope to the study of other countries or regions, FAAP believes it is fulfilling its mission to teachers and students while also contributing to the acquisition of more knowledge of, and hence closer ties with, one of Brazil's most important partners.

# Address by Ambassador Sergio Amaral

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*Sergio Amaral\**

Madam Celita Procopio de Carvalho and other distinguished members of the panel; professors, students, friends, Brazilian ambassadors to Washington; ladies and gentlemen:

Brazil is a country of continental size, separated from its neighbors by the vast Amazon region, the high mountains of the Andes and the Atlantic Ocean. As a result it has almost always been an inward-looking nation. This is one reason why we have tended to reach the great turning-points of history somewhat later than others. Brazil was one of the last countries to abolish slavery, took a long time to build sound democratic institutions, and was slow to implement economic reform and stabilize its currency. Another salient feature of the Brazilian character is that once we do adhere to a cause or idea, we want to move very quickly to make up for lost time. Trade liberalization and the end of protectionism in the early 1990s began removing obstacles to foreign investment and paved the way a few years later for the intense internationalization of Brazilian companies, a process still under way as we speak.

Internationalization is not just an economic phenomenon, however: ideas and knowledge can also be internationalized. Like FAAP, which is a pioneer in this field, Brazilian universities are internationalizing through growing collaboration with foreign institutions and exchanges of teachers and students. More than 90 courses in International Relations have opened their doors in recent years, stimulated by interest in world affairs. Strangely enough, however, I am not aware of a single institution that is engaged in regular study and research on any individual country. This is sorely needed, for we can learn a great deal from our neighbors, especially Argentina; from the United States of America, with which we have traditionally had close ties; and from European countries, which had a crucial influence on the formation of our nationhood. Just to take one example, among China's many research institutions in the field of international relations is a center for American studies with 120 researchers.

The creation of a Center for American Studies is justified for several reasons. We have traditionally shared with the people of the United States the same commitment to freedom and democracy. Relations between Brazil and the United States have always been important, ever since and indeed even before Brazil declared independence. As will be shown by Ambassador Rubens

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\* **Sergio Amaral** is the director of the Center for American Studies at FAAP, and was previously the Ambassador for Brazil in Paris (2003-2005) and London (1999-2000). He was the Minister of Development, Industry and International Commerce (2001-2002) and President of the National Bank for Economic and Social Development (2001-2002).

Ricupero, an acknowledged expert in Brazilian diplomatic history under the Empire, admiration for the political thought of the United States and the experience of American society permeated the parliamentary debates about the structuring of our institutions.

At the start of the 20th century, our attraction to the U.S. became even more intense, especially as the British presence in Brazil declined. After the second world war, however, Brazilian perceptions were influenced by the divisions created by the cold war and this produced acute simplifications: at one extreme were those who believed that whatever was good for the U.S. was good for Brazil and at the other those who saw interventionism or a desire to dominate behind every declaration and initiative. These simplifications contributed to a number of errors, hindered an examination of the bilateral agenda on its own merits, without contamination by preconceived ideas, fueled frictions that were often unnecessary, politicized our differences, and on occasion even prevented us from seizing opportunities to cooperate in areas where there could have been a convergence of perceptions and interests. Studies of reality in the U.S. by Brazilians and vice-versa are particularly relevant at a time of significant change in both the U.S. and Brazil. American society is changing today because of the growing presence of a community of immigrants, the emergence of faith-based political thought, and the influence of the so-called neoconservatives in the field of diplomacy. Alongside these factors, terrorism and the transformation of the fight against terrorism into a domestic and foreign policy priority are also driving change.

The world looks on with surprise, perhaps even perplexity, at the unfolding paradox of a great power that still enjoys military and political supremacy yet is visibly in difficulties to propose and lead a reform of international institutions so that they can deal effectively with the new global conditions prevailing in the 21st century, as did the U.S. immediately after the second world war. On the contrary, some of its recent actions or reactions in the field of foreign policy have been reminiscent of a world that no longer exists, rather than the multilateral concertation required today by the new global agenda. The U.S. also appears to be struggling with constraints produced by its political system, in which – to paraphrase the well-timed words of Larry Summers – one party fears free trade and the other is afraid of multilateralism. These profound changes affect U.S. perceptions about Latin America, which is a topic to be addressed by Professor Abraham Lowenthal, one of the most lucid observers of inter-American relations. The changes are also creating new ingredients for the formulation of U.S. foreign policy for the region and at the same time new opportunities that we Brazilians have so far failed to seize according to those who, like Peter Hakim, President of the Inter-American Dialogue, are particularly well-situated to decipher the challenges of this new moment.

Brazil is experiencing equally profound changes. Economic and financial stability has apparently been achieved at last, but our political institutions are suffering from the tensions produced by new forms of social effervescence. This phenomenon is not confined to Brazil; in fact it can be seen throughout Latin

America. After the economic recovery of the 1980s and the economic reforms of the 1990s, Latin America is now experiencing the emergence of social movements and in principle this is positive as a means of correcting the region's dire social imbalances. Many political institutions have proved resilient, with political parties taking the new demands on board, as is the case in Brazil. In countries with weak or discredited parties and political systems, however, social movements have brought neopopulists to power, as is the case in Venezuela and Bolivia.



One way or another, the emergence of social movements is a sign that civil society is stronger and beginning to play a much more significant role in domestic politics and in the way the countries of the region view the rest of the world. However, economic interests are often so strong as to make official and diplomatic channels of communication inoperative.

Roberto DaMatta, the last speaker this morning, is an anthropologist who is particularly well qualified to make a comparative analysis of the social and cultural values of Brazil and the U.S. thanks to his many years of experience as a professor at Brazilian and U.S. universities.

This brief introduction is not intended to present a complete list of the questions that will be raised by all the meetings, seminars, research projects and conferences to be developed by this Center for American Studies. My point at this time is simply to underscore the fact that in the global era an understanding of the direction and speed of change, both global and local, is a prerequisite for any country that claims its rightful place on the world scene and wishes to build mutually advantageous relations with its partners.

The scope of the Center is limited. It does not intend to cover bilateral relations, which are already sufficiently analyzed by different instances of government and society. Its proposition is to study only the United States of America. However, it cannot be denied that the study of both Brazilian and American society, politics and culture will make a significant contribution to an understanding of bilateral relations, and hence to an improvement in their quality. We will leave to the Brazilianists the mission of explaining Brazil to the American public, but without question an enrichment of the dialogue between Brazilianists and Americanists will be beneficial to both.

We are deeply grateful for the support not only of the Inter-American Dialogue and the School of International Relations at the University of Southern California, both represented here, but also of the Woodrow Wilson Center and the Universities of Harvard and Columbia, among others. Dialogue also requires collaboration between Brazilian and American institutions, particularly Cebri, ONB, USP, PUC and the many other entities, professors and specialists who wish to participate in research activities, publications and exchanges. Today's seminar begins the work of the Center. The Center's program will continue with lectures expounding the views of American partners in other regions. In cooperation with such American institutions as the Fulbright Foundation, FAAP will create a Chair of American Studies and promote an exchange of Brazilian and American researchers. I would like to thank the Embassy, especially



Ambassador Sobel, and the Consulate for the support they have given the Center since the start of discussions on its creation. I would also like to thank the companies that have expressed support for the Center, and I hope others will join them. I am counting on their participation for the work we plan to do to be feasible, which is in the interest of us all.

I would like to close by inviting students and professors, too, to join this new Center. By creating a Center for American Studies, FAAP is confident that it will contribute to better mutual knowledge between Brazilians and Americans and consequently open the door to new opportunities not only for academic but also for cultural, diplomatic and economic exchanges.

# The United States seen from the south: model and threat, problem and solutions

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*Rubens Ricupero\**

Explaining why he saw a similarity between the causes of the American Revolution and the Minas Conspiracy in which he was involved, Lieutenant Colonel Francisco de Paula Freire de Andrade, commanding officer of the Minas dragoons, said, “Because nothing other than the high taxes levied on her forced America to break away from England” (interrogation of July 29, 1791, Autos da Devassa, *apud* MAXWELL, K. *A Devassa da Devassa*. 3 ed. Paz e Terra, 1985, p. 167; this is the Brazilian edition of *Conflicts and Conspiracies: Brazil and Portugal, 1750-1808*, Routledge, 2004). In a 1789 interrogation the accused had said “the Abbé Raynal had been a writer of great vision for he prognosticated the uprising of North America, and the captaincy of Minas Gerais was now in the same circumstances because of the levy of a surtax on gold [*derrama*]” (*idem, ibidem*, p. 141).

The American model, as we can see, very quickly began firing the imaginations of those who were to become future Brazilians. The same applied to Latin America in general, with the necessary adjustments.

In an article written in April 1910 for the *Deutsche Revue* and entitled *América do Sul versus América do Norte* (“South America versus North America”), the historian and diplomat Manuel de Oliveira Lima noted “the persistence on one hand of a distrust that seems incurable, and on the other a disdain that seems no less incurable”. And in the same tone the bellicose Pernambucan went on: “... the United States nurtures (...) an invincible disdain for other American countries (...): or rather it has never considered nations of Spanish or Portuguese origin to be its real equals. Its government may now and again ‘dally’ with one or another (...) as a stratagem to drive a wedge between

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\* **Rubens Ricupero** is currently the Dean of the Economics and International Relations Faculty at Fundação Armando Álvares Penteado (FAAP), São Paulo. Previously, he was the Secretary General of United Nations Conference on Trade and Development (Unctad) in Geneva, from 1995 to 2004, Chairman of the Gatt Contracting Parties (1991), of the Gatt Council of Representatives (1990), Minister of Finance of Brazil (1994), Minister of the Environment and the Amazonian Affairs of Brazil (1993).

it and the rest while selling it the largest possible amount of goods, which is of course entirely legitimate and natural” (OLIVEIRA LIMA, M. *Obra Seleta*. Rio de Janeiro, INL, 1971, p.267).

Oliveira Lima’s views were those of a minority in Brazil but were closer to the sentiments of Spanish America. At that time Brazil had an “unwritten alliance” with the United States, under the leadership of the Baron of Rio Branco and the enthusiastic inspiration of Joaquim Nabuco, who was a “Monroeist”, the term then used for Brazilians who were pro-American. Oliveira Lima shared Spanish America’s fear of the then rising Yankee powerhouse, which had recently imposed a humiliating defeat on the Spanish motherland, occupying Puerto Rico, the Philippines and Cuba, and separating Panama from Colombia, not to mention the occasional intervention in Haiti, Nicaragua or Mexico.

The Baron took the view that Brazil and other large countries like Argentina and Chile had nothing to fear from the American big stick, which was preferentially used to beat those who, in his opinion, were incapable of governing themselves. It behooved each country to avoid giving reasons for intervention, by means of good government and progress. As he said at the opening of the Third Latin American Scientific Congress held at Rio de Janeiro in 1905: “It is indispensable that within half a century four or five at least of the major nations of Latin America should succeed, through noble emulation of our beloved elder brother of the North, in rivaling the most powerful states in the world for resources”. Actually Oliveira Lima himself wrote something not very dissimilar: “The real obstacles to be raised against conquest by America are our own valor and our own progress.”

Anyway, Oliveira Lima’s caustic accusation and Rio Branco’s plea for fertile emulation of the North American example could be seen as complementary rather than mutually exclusive positions, since both were justifiable under the circumstances. It was not contradictory that Oliveira Lima had expressed both at different times, while it was only calculation and diplomatic prudence that prevented Rio Branco and Nabuco from criticizing certain excesses of Theodore Roosevelt’s diplomacy in public. In fact these were paradigmatic opinions that demarcated the opposite extremes of the spectrum of possible reactions. They were all equally inspired by the irresistible rise of the United States, first as the hegemonic power in the Americas in the late 19th century, then as a major world power by the time of this debate (1905-14). And of course it was destined to be one of the two superpowers and finally to achieve its current status as the only superpower. All this was under way a hundred years ago, just as Roosevelt’s mediation to end the Russo-Japanese War (1905) was showing that the United States had stepped beyond the frontiers of the hemisphere to become a world power.

A century later would it be too much to say that nothing has changed substantially in the field of possible reactions to American power? In a fragmented continent, we have at the rejectionist extreme the militants of the Bolivarian Alternative: Chavez’s Venezuela, Castro’s Cuba, Morales’s Bolivia, Correa’s

Ecuador, Ortega's Nicaragua. At the opposite pole we have Mexico, almost all of Central America and the Caribbean, Colombia, Peru. In between are the rest in various shades of gray, including Brazil.

If I have preferred to look at this question in terms of the international balance of power, it is because I do not believe the problem of the way the United States and Latin America see each other can be properly understood from an exclusively or mainly culturalist angle, as people usually do. From the standpoint of the evolution of the international system, the most significant feature of Latin America is that since independence the countries of the region have lived under the shadow of the increasingly irresistible power of the United States. Throughout these almost 200 years of independent history, the power gap between them and Washington has steadily widened.

The closest to the Yankees and farthest from God, according to the formula attributed to Porfirio Díaz, know that a high price is sometimes paid for this proximity, which has even incurred even loss of territory in the past. Europeans, Asians, Arabs, Africans, no one escapes American power, but none of these regions is in the area of direct American influence, which used to be referred to as the "backyard" of the United States. This is essentially what differentiates Latin America from other regions, for better or for worse. Often for better, in fact, as shown by the benefits in trade and emigration deriving from this proximity, as well as the rarity of war between countries in the region due to the inhibiting hegemony of the United States, either directly or via the Organization of American States (OAS).

But stating the reality of an incommensurable difference in power is not sufficient to explain why things have taken this course rather than another, especially if we recall that all our countries began at about the same time. Why has the U.S. succeeded while the Latin Americans have failed? Why was the U.S. capable of building stable and effective institutions, and developing its economy with a satisfactory degree of social integration, while the rest have struggled with these problems for almost two centuries? Why have the Americans accumulated the power they wield today?

These are the central questions which, rightly or wrongly, have kept the minds of scholars occupied on the different destinies of the two halves of the hemisphere. Enough books to fill a library have been written to answer them. Explanations range from culturalism to historical materialism. Some stress the type of colonialism involved (settler versus extractive) and the different forms of insertion in the global system of trade and the economy of merchant capitalism, later of industrial and financial capitalism. Others prefer deterministic explanations based on climate, natural resources, race or, with more sophistication, culture in the broad sense. Most of the latter blame failure mainly on the paralyzing weight of Iberian culture, said to be incompatible with modernity, as seemed evident from the Spanish debacle of 1898.

It was as a reaction to cultural defeatism that the Uruguayan José Enrique Rodó wrote *Ariel*, precisely in 1900, at the turn of the century. In his farewell speech Prospero, the aged maestro, contrasts Caliban's crude short-termism and



materialism with the diaphanous and captivating idealism of Ariel, the ethereal spirit of Shakespeare's *Tempest*. Rodó exhorted the young to resist the appeal of materialist culture by putting down roots in Latin culture, inherited from the ideals of Ancient Greece.

*Ariel* had a huge influence in the first few decades of the 20th century. There is no denying that its approach reappears from time to time as one of the ways to reformulate and radically invert the dichotomy between Latin American failure and United States success. Indeed, it is a paradox that the greatest Brazilian intellectual with a U.S. university education, Gilberto Freyre, is by far the most persuasive advocate of the advantages and attractions of traditional Iberian and Brazilian culture.

Before and after this, many people also explored ways of trying to understand dispassionately what Americans themselves refer to as exceptionalism, i.e. what lies behind the differences in political institutions, customs, cultural behavior, economic and social models. This is often done in a utilitarian spirit to find out how far the human experience of our hemispheric neighbors can inspire us to find solutions to the dilemmas that afflict us. Under the Empire during the 1860s Brazil witnessed something along these lines in an indirect debate between the Viscount of Uruguay and Tavares Bastos about the antinomy between conservative centralism and liberal decentralization. This is not the place for a description of their respective positions, which is very well done in a book by Gabriela Nunes Ferreira, *Centralização e descentralização no Império – O debate entre Tavares Bastos e o Visconde do Uruguai* (São Paulo, editora 34, 1999). One of the most valuable things in this book is the appendix entitled “The Uses of *Democracy in America*”, showing how these two public figures made use of the Federalists, the U.S. Constitution, and above all Alexis de Tocqueville's *Democracy in America*, “because it was (...) the most important reference work of the time on the American model of social and political organization (...) and also because the work was comparative in nature”. The author's point, which is a perceptive one, is highly relevant to my theme: the same American model can be used to arrive at quite different conclusions.

A similar point can be made about what was to happen later when the Republic was proclaimed.. Rui Barbosa and other protagonists of the episode would once again use the American models for the Federation, the Constitution, the presidential system of government, and even the name, Estados Unidos do Brasil. At one time even the new national flag was to have the same symbol, but in the end that was left for São Paulo State. It would not be difficult to find recent examples of the tendency. One is the ongoing debate about affirmative action and quotas against racial inequality, and more broadly the frequent comparison of racism in Brazil and the U.S.

Perhaps more wide-ranging, a profound economic restructuring has gone on here and in most Latin American countries since the 1980s and 1990s in accordance with the prescriptions of the Washington Consensus and more or less impure interpretations of neoliberalism. I won't say any more on this subject because my point is simply to map out some of the interesting problems that



deserve to be researched in depth by an institution such as this Center, which we are unveiling today, and which could serve as the hub of a network for all those who are interested in the fascinating, rich and diverse world of the United States.

I recall having felt this fascination at an early age. Like everyone else I was fascinated by American movies, jazz, comics and superheroes, but it was not just that. At the age of ten I was given two books by some cousins in Petrópolis: Benjamin Franklin's *Memoirs or Autobiography*, and some summarized texts by Bolívar. I confess somewhat to my shame that I wasn't interested in the Bolívar, but the Franklin with its recipes for self-improvement and autodidacticism changed my life. I could go on for hours about how the American universe influenced me, as it did everyone born after 1914. But in closing I want to mention another great American, the late lamented Richard Morse, that most Latin of Yankees who in explaining his luminous *Prospero's Mirror* tells us as no one else could do what the spirit of our Center should be. He says [in a free translation from the Brazilian edition] : "Safeguarding myself (...) against the recriminatory tone that dominates north-south dialogue on both sides, I set out to consider South America not as victim, patient or 'problem', but as a mirror image in which Anglo-America can recognize its own infirmities and problems. It is well-known that a mirror forms an inverted image. Although North and South America draw on the founts of western civilization that are familiar to both, their specific legacies correspond to a right side and a reverse side (...). For two centuries a North American mirror has been shown aggressively to the South, with disturbing consequences. Perhaps it is time to turn the mirror around."

# Improving mutual comprehension in the Americas

*Abraham F. Lowenthal\**

As global changes accelerate, long-familiar concepts often become outmoded. They continue, nevertheless, to provide the conceptual bases for analysis, debate and policy-making. To make analysis more accurate and help fashion more effective policies, it is necessary to challenge prevailing mindsets, question entrenched stereotypes, and provide fresh perspectives. This essay suggests important respects in which the ways that North Americans and Latin Americans perceive each other need to change.

## **Looking South: improving understanding of Latin America and the Caribbean in the United States**

The first step for improving comprehension of Latin America and the Caribbean is to disaggregate this highly diverse region. It is difficult to talk meaningfully about Latin America as a whole, and impossible to fashion substantive U.S. policies valid for all its countries<sup>1</sup>.

We have always known, of course, that Latin American and Caribbean nations vary enormously: that Argentina is very different from Haiti, Peru from Panama, the Dominican Republic from Chile – or Brazil from any other country in the region. From the perspective of the United States, however, these longstanding differences receded from view somewhat during the past twenty years, when so many Latin American and Caribbean nations embraced democratic governance, market-oriented economics and policies of macroeconomic balance. Latin America turned away from the period when “vanguards” of the Left and “guardians” of the Right had belittled democracy; when many of the region’s leaders favored central planning, promoted a large government role in the

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\* **Abraham F. Lowenthal** is the Robert F. Erburu Professor of Ethics, Globalization and Development and professor of international relations at the University of Southern California. He is also president emeritus and a senior fellow of the Pacific Council on International Policy, and was founding director of the Inter-American Dialogue and of the Latin American Program at the Woodrow Wilson International Center for Scholars. This essay is based on a lecture on May 7, 2007 at the inauguration of the Center of American Studies at the Fundação Armando Alvares Penteado in São Paulo, Brazil. The author gratefully acknowledges research assistance on changes in the United States by Maria Armoudian, made possible by a grant from the Center for International Studies, School of International Relations, University of Southern California.

<sup>1</sup> It is true, and worth emphasizing, that “Latin America as a whole can be usefully differentiated from the rest of the world, despite its internal diversities,” as Laurence Whitehead argues in his provocative and discerning book, *Latin America: A New Interpretation*. New York: Palgrave Macmillan, 2006, but to analyze the region’s future or develop U.S. policies toward it, disaggregation is imperative.

economy, and espoused “socialism”; and when one country after another implemented populist economic policies that led, sooner or later, to financial disaster.

It remains true, and in many ways important, that these nearly region-wide sea-changes have occurred, and that in many countries they are still in place. But key differences among the countries of Latin America and the Caribbean persist, and some of these differences are growing:

- First, the nature and degree of demographic and economic interdependence with the United States vary enormously – highest and still rapidly growing in Mexico, Central America and the Caribbean, lowest and likely to remain low in the Southern Cone;

- Second, the extent to which the countries have committed their economies to international competition ranges along a wide spectrum: by far the fullest in Chile, relatively full in Brazil, Colombia, Mexico, Panama and Peru; not so in many other countries;

- Third, there is also a range of practices regarding democratic governance, including horizontal accountability and the rule of law: strong in Chile, Uruguay, Costa Rica, and increasingly, if quite evenly, Brazil; gaining ground in Mexico but still being fashioned through hard struggle there; under great strain in Venezuela, all the Andean nations, much of Central America, Haiti and Paraguay; and arguably declining in Argentina;

- Fourth, there are great differences in the relative effectiveness of civic and political institutions: strongest in Chile, growing steadily and impressively in Brazil and in Mexico, regaining stature in Colombia; still weak in many nations, deteriorating in several, exceptionally weak in Haiti; and

- Fifth, a few nations are facing the special challenges of integrating more than thirty million disadvantaged indigenous people, especially in Bolivia, Ecuador, Guatemala, Honduras, Paraguay, the Peruvian highlands and southern Mexico.

Only when these important structural differences are consistently recognized can Latin America and the Caribbean come into clear focus and can more effective U.S. policies toward Latin America be fashioned. Western Hemisphere-wide statements, policies and summits simply will not work.

### **Brazil: gaining on the future**

The conventional wisdom in the United States about Brazil continues to be that “Brazil is the country of the future, and always will be”. In many ways, however, the future has arrived in Brazil, or at least it is much closer. In the last twenty years, Brazil opened important parts of its economy to international competition, modernized much of its agricultural sector, and developed a number of industries with continental and even world-wide presence. Brazil has slowly but surely strengthened its state, private sector and non-governmental institutions. It has secured financial stability, attracted substantial foreign investment, and

produced steady if still modest economic growth. And Brazil is making notable though highly uneven and still insufficient progress in combating corruption, impunity and lack of accountability.

Brazil has also forged a broad consensus on macroeconomic and social goals, including the urgent needs to alleviate poverty, reduce gross inequities, combat racial discrimination, control crime, reduce violence and improve education at all levels. No one should underestimate the difficulty of devising and implementing policies to achieve these goals. To unleash greater energy, it is imperative to radically improve the quality of education; modernize infrastructure and public services; reform the police; enhance productivity in the sectors in which Brazil can be internationally competitive; reduce entitlements; and restructure tax policies. But consensus and strengthened institutions combine to produce an unprecedented degree of “previsibilidade” in Brazil; i.e., predictability, based on stable expectations about the “rules of the game” and the institutional processes for changing them. This “previsibilidade” permits the state, private enterprise and individual citizens to make confident decisions that provide, in turn, an important part of what is needed to further build the country.

### **Closest neighbors: the “intermestic” agenda**

U.S. relations with its closest neighbors in Mexico, Central America and the Caribbean countries are increasingly distinct from those with the rest of the Latin America. The United States has become an even more overwhelming influence on its whole border region, primarily as a result of massive migration since 1965. By the same token, the large and growing Mexican, Central American and Caribbean diasporas in an increasing number of different parts of the United States are irreversibly changing U.S. relations with the Caribbean Basin<sup>2</sup>.

Politicians, business strategists, advertisers, bankers, employers, trade unions, educators, law enforcement officials and medical personnel all know that the frontier between the United States and its immediate neighbors is porous, sometimes even illusory. It is hard to define the functional border between Latin America and Anglo-America today, but it is surely well north of San Diego in the West, and of Miami in the East. Remittances from the diaspora are vital to the economies of Mexico and many Central American and Caribbean nations. In Mexico, remittances amounted to \$24 billion in 2006, more than from foreign direct investment; in Central America and the Dominican Republic, remittances exceed foreign investment and foreign economic assistance combined as sources of capital<sup>3</sup>. Campaign contributions and the votes of the diaspora are crucially important in home country politics, while the participation of naturalized

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<sup>2</sup> On the specifics of Mexican immigration to a number of “new growth” or “gateway” states, see Greg Anrig, Jr. and Tova Andrea Wang, *Immigration’s New Frontiers: Experiences from the Emerging Gateway States*. New York, NY: The Century Foundation Press, 2006.

<sup>3</sup> Remittances contribute more than 15% of national income in El Salvador, Jamaica and Honduras. See *Making the Most of Family Remittances, Second Report of the Inter-American Dialogue Task Force on Remittances*. Washington, DC: Inter-American Dialogue, May 2007.

immigrants is an ever-increasing factor in U.S. domestic politics. Juvenile gangs and criminal leaders socialized in the United States are wreaking havoc in their countries of origin, in many cases after being deported back to those countries by the United States. Latino youth gangs are a key factor in the life of Los Angeles and several other U.S. cities. Changing U.S. immigration laws and more stringent border enforcement procedures may marginally affect the rate of entry by unauthorized migrants, at least for a time, but they will probably not significantly reduce migration flows nor alter the fundamental impact of long-established patterns.

Together Mexico, Central America and the Caribbean countries account for about a third of the total population of Latin America and the Caribbean but for nearly half of all U.S. investment in the entire region, more than 70 percent of U.S.-Latin American licit trade, and some 85 percent of all Latin American immigration to the United States. During the next 25 years, Mexico and the Caribbean and Central American nations are likely to become even more fully absorbed into the U.S. orbit, both because of underlying trends and because of policies such as the North American Free Trade Agreement (Nafta) and the Free Trade Agreement with the Dominican Republic and the Central American nations (DR-Cafta). They will be using the dollar as their informal and in many cases their official currencies; sending almost all their exports to the United States; relying overwhelmingly on remittances from their diasporas and on U.S. tourists, investment, imports and technology; absorbing U.S. popular culture and fashions but also influencing popular culture on the mainland; developing baseball players for the North American major leagues, and perhaps eventually fielding major league teams of their own. They will continue to send many migrants northward, and many will accept increasing numbers of retired North Americans as long-term residents as well as large numbers seeking inexpensive medical care. Transnational citizens and networks will grow in importance on such issues as portable international health insurance and bilingual education. All these trends will almost certainly include Cuba in time, perhaps soon, and likely in an accelerated way.

The issues that flow directly from the unique mutual interpenetration between the United States and its closest neighbors – immigration, narcotics and arms trafficking, auto theft, money-laundering, responding to hurricanes and other natural disasters, protecting the environment and public health, law enforcement and border management – pose particularly complex challenges for policy. These “intermestic” issues, combining international and domestic facets, are very hard to handle. The democratic political process, both in the United States and in its neighboring countries, pushes policies on both sides in directions that are diametrically opposed to what would be needed to secure the international cooperation required to manage thorny problems that transcend borders. A vivid example is immigration policy; the chauvinistic points scored in the U.S. Congressional debates and the approval by Congress of the border fence between the United States and Mexico undoubtedly have had counter-productive impacts in Mexico and Central America, making it much harder to

work together on this and other issues. This has also been true of anti-narcotics policy, on which the United States still focuses much more on constraining supply than on curbing demand, and on agricultural subsidies, contrary to U.S. commercial concepts and ideology, that are imposed by domestic lobbies.

This dilemma – that the policy approaches most attractive to domestic publics often block needed international cooperation – is not limited to the United States. The impulses to place responsibility for tough problems on the other side of the border, and to assert “sovereignty” even when that is impossible in practical terms, are reciprocal and interactive.

### **The Southern Cone: a study in contrasts**

Chile is the Latin American country most engaged in the world economy, with on the whole the strongest institutions and the most entrenched democratic norms and practices. At this stage of its history, Chile has a relatively limited challenge of indigenous integration, sends out few migrants to the United States and elsewhere, and is at least as closely tied to the economies of Asia, Europe and the rest of Latin America as to that of the United States. Chile has built broad national consensus on many key public policies, undergirding a high degree of “previsibilidad” that facilitates investment, national and foreign, and fosters strategic planning, both by government and by the private sector<sup>4</sup>. The country is not without challenges – an educational system that reinforces inequities, environmental problems, and the continuing issues of global competitiveness, for example – but its policies, politics and institutions facilitate meeting these challenges.

Chile’s international profile and its priority for the United States are considerably greater than its size, military power or economic strength alone would compel. Its “soft power” attracts attention, projects leadership and achieves international influence – although it also produces some resentment and resistance from those in neighboring countries.

Argentina, by contrast, has had difficulty building consensus, fortifying institutions, opening up its full economy, and achieving the predictability and transparency that are so important to overcome short-term perspectives (*cortoplacismo*) and facilitate sustainable development. Although Argentina has been active in international affairs – and has been a staunch and often helpful ally of the United States on counter-terrorism, counter-narcotics and non-proliferation – it cannot confidently count on much meaningful empathy or concrete support from the United States, no matter who governs in Washington. The failure of the Bush administration to rescue Argentina during its deep economic crisis of 2001-2002 was quite likely not an aberration – an arbitrary

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<sup>4</sup> A striking example is the decision by the Bachelet administration to invest copper windfall earnings in international instruments, drawing only in the earnings generated by those investments for domestic social needs.

personal decision by one U.S. President or his Treasury Secretary – but rather a consequence of Argentina’s long-term marginal significance to Washington and of doubts about Argentina’s likelihood to sustain sound policies.

### **The Andean Ridge: crises of governance**

The troubled nations of the Andean ridge – Colombia, Ecuador, Peru and Bolivia – account for nearly 22 percent of the population of Latin America, just 13 percent of its GDP, about 10 percent of U.S. investment, less than 15 percent of legal U.S.-Latin American trade, but nearly all the cocaine and heroin imported to the United States (often through Mexico, Central America or the Caribbean islands). All the Andean countries, to differing but invariably high degrees, are plagued by extremely weak political institutions and by the unresolved integration of large and increasingly vocal indigenous populations, and of those, not only indigenous, who live in poverty or extreme poverty<sup>5</sup>. In these circumstances, the Washington mantra that free markets and democratic politics strengthen and support each other in a powerful virtuous circle does not work. Massive exclusion, extensive poverty and gross inequity, rising ethnic and subnational regional consciousness, the weak presence of the state in rural areas, democratic politics and market economies are an extremely volatile combination, unable to coexist in the medium term. The special challenges for responding to the Andean crises of governance arise from this profound quandary. The corrosive and violent narcotics trade is at least as much symptom as cause of these crises; addressing the drug trade alone will therefore have little effect. By the same token, combating the guerrilla and para-military movements through military means alone is unlikely to have any enduring impact. Only if and when the underlying realities are addressed in integral fashion can the Andean Ridge nations hope to achieve political stability and democratic development.

### **Latin America’s supposed left turn**

A common perception of Latin America in the United States is that the region, led by Hugo Chavez of Venezuela, has been “turning left”, and that this supposed leftist and anti-American orientation could pose threats to U.S. influence, prosperity and security. In some versions of this trope, reference is made to the increasing presence of China in Latin America, and/or to the recently emerging interest of Iran in the region. This view, expressed by several figures in the U.S. Congress and heard often among modestly informed business and professional people, is based, as stereotypes usually are, on some real data, but it is profoundly misinformed and potentially dangerous.

Leaders from the Latin American Left hold office in Argentina, Brazil, Chile, Costa Rica, the Dominican Republic, Panama, Peru, and Uruguay, but they are strongly committed to free markets, international trade and foreign investment. They do not believe in centrally planned economies but favor efficient states focused on education, infrastructure and poverty alleviation.

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<sup>5</sup> See Osvaldo Hurtado, *Democracia y Gobernabilidad en la Paises Andinos. Foreign Affairs En Español*, Vol. 5 #4 (2005).

They do not belittle democratic governance, as did the Left of the 1960s, but are its staunch proponents. They are not anti-American, but are open to pragmatic cooperation with the United States, without being automatic allies or client states. In none of these countries does Hugo Chavez have much current influence, despite his lavish petrodollar diplomacy.

The governments of Colombia, Mexico, El Salvador and Guatemala, meanwhile, are not at all leftist but rather conservative, and they are eager both to cooperate with Washington and to resist the blandishments of Chavez, although not necessarily to confront him. Although there are nationalist, populist, or anti-U.S. politicians in each of these countries, these have thus far been defeated at the polls by candidates committed to free market and pro-U.S. approaches, even in a period when the international image of the United States is badly tarnished<sup>6</sup>.

Bolivia, Ecuador, Nicaragua, Venezuela – and Cuba, of course – have different varieties of populist government, and Paraguay and conceivably Guatemala might follow suit. But only Venezuela and Cuba are pursuing policies consistently antagonistic to the United States, and even Venezuela still continues pragmatically to sell most of its petroleum to the United States, while Cuba is probably quietly preparing itself for reconciliation with the United States. Except for oil-rich Venezuela, all these countries are among the region's poorest. Most have high numbers of historically excluded indigenous peoples, as is true also in southern Mexico and the highlands Peru – where the anti-system and anti-elite appeals personified by Chavez also have significant support.

These are among the least integrated and least developed countries of Latin America, not the basis for a powerful or threatening anti-US axis. It is vital for these countries to invest in poverty alleviation, education, infrastructure and social inclusion – and it would be useful for the United States and other major countries of the Americas to support such efforts – but the United States does not face a security crisis because of these countries, nor is one likely. Conjuring up possible security threats in order to attract more high level concern with Latin America from Washington would likely further distort the attention devoted by the United States to the region rather than produce a constructive result.

It is true that China is rapidly expanding its economic activity in Latin America, and that soon there will be a larger Chinese presence in the Americas than ever was true of the Soviet Union during the Cold War, when Washington was preoccupied with countering Russian influence<sup>7</sup>. But the fact that China has become an increasingly important trade partner of several Latin American countries (as it is with the United States, of course), mainly as an importer of raw materials and agricultural commodities, may actually be favorable to U.S. interests, for it promotes greater prosperity and expanded purchasing power in

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<sup>6</sup> All told, the main tendency in recent Latin American political and electoral behavior has been toward the center, not the left, as Rozendo Fraga, Oscar Arias and others have argued.

<sup>7</sup> For a nuanced review of China's growing relations with Latin America, see Jorge I. Dominguez *et al.* *China's Relations with Latin America: Shared Gains, Asymmetric Hopes*. Washington, DC: Inter-American Dialogue, Working Paper, June 2006.

an export market where the United States has many competitive advantages, arising from proximity, familiarity and the bridging potential of the Latin American diaspora. Although apparent Chinese promises of major investments in Latin America have thus far not led to much concrete follow-up, there would be little reason for the United States to be concerned if investment from China (or from India for that matter) were to expand from its current modest levels; such investment would be very much in keeping with the kind of open world economy that secures the interests of the United States.

And although there are remote but potentially scary scenarios in which Iranian or Islamic militant factions could cause difficulties in and from Latin America, the region is not a likely arena or source of terrorist attacks<sup>8</sup>. Washington would be well advised not to repeat the errors of the Cold War by generating self-fulfilling security threats in Latin America and the Caribbean, thus distracting attention from its real interests and from the main shared challenges facing the Americas. The U.S. focus in the Western Hemisphere should be on opportunities to confront common problems – from energy security and global warming to public health, narcotics, arms traffic, commerce and immigration – not on looking for phantom threats.

### **Challenging familiar stereotypes**

It is also important to challenge two familiar mindsets in the United States with regard to Latin America and the Caribbean, contradictory images that tend paradoxically to persist in U.S. discourse. One is an excessively optimistic view of the region, projecting U.S. ideology and experience, combined with wishful thinking; the other is an excessively bleak vision, grounded in notions of U.S. superiority.

The excessively optimistic view – based mainly on the transformations in Latin American views of democracy, markets, and macroeconomic policy – trumpets the supposed convergence of Latin America with the United States. This view asserts that (except for Cuba) Latin America is an entirely democratic region; welcomes Latin America's endorsement of the "Washington Consensus" on market reforms and economic liberalization; claims hemisphere-wide devotion to the goal of free trade from Alaska to Patagonia; and calls for broad inter-American partnerships in the "wars" against terrorism and narcotics, and in the quest for energy security. This vision emerged from the Miami Summit of the Americas in 1994, when the assembled presidents and prime ministers from all the countries of the Western Hemisphere (save Cuba) proclaimed their shared commitment to a Free Trade Area of the Americas by 2005. The "Miami Vision"

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<sup>8</sup> For an informative but hyperbolic account of Iran's growing presence in Latin America, see Dina Siegel Vann, *Iran's Presence in Latin America: Trade Energy and Terror*. Washington DC: American Jewish Committee, 2007. The recent statement in Tehran by Nicaraguan President Daniel Ortega that the Nicaraguan and Iranian revolutions are "twins," which "imperialism can never separate", illustrates the potential for Iranian links in the Western Hemisphere but probably amounts to little more than a Nicaraguan effort to gain a bit of leverage by playing the Iran card.

has not been limited to official pronouncements; it has frequently been articulated in the editorial pages of the *Wall Street Journal* and other media, in the writing of pundits, and in the output of a number of think tanks<sup>9</sup>.

All along, however, there was actually much less to the Miami vision than met the eye. The extent and depth of Latin American commitments to hemispheric free trade was exaggerated, as was the U.S. resolve to overcome its own protectionism. 2005 came and went without any agreement, and the FTAA project has since receded from view, if not disappeared entirely.

Although the normative preference of Latin Americans for democracy persists, effective democratic governance, beyond free and fair elections, is lacking today in many countries, and even the quality of the electoral processes has deteriorated in several cases. Stable and separate legislative and judicial institutions, strong parties, and an independent free press, all capable of checking authoritarian power, are weak not only in Cuba but in Venezuela, Bolivia, Ecuador and in several other countries, including Argentina<sup>10</sup>.

Contrary to frequent assertions, Chile's success at achieving both economic growth and effective democratic governance does not demonstrate the power of freeing markets and dismantling the state. Chile's success actually demonstrates the value of pragmatically combining market-opening reforms with vigorous state action<sup>11</sup>. Throughout the region, countries are trying to focus and strengthen the state's competence, not to weaken it; to correct the consequences of the market by concerted public policies; and to find effective ways to tackle poverty, inequity and exclusion. It is high time for U.S. discourse to catch up to this reality, and indeed to learn from Latin American efforts<sup>12</sup>.

It is also important not to dismiss Latin America as a backwater region. The countries of Latin America and the Caribbean are frequently depicted in the United States as full of unmotivated workers, business leaders who prefer rent-seeking to entrepreneurial creativity, and demagogic politicians – as a region held back by entrenched privilege, cursed by rampant corruption, and disposed

<sup>9</sup> Not even the Inter-American Dialogue, the best think tank in the United States focused on Latin America, has been entirely exempt from this tendency, although the Dialogue has substantially qualified its view since its influential 1993 report on "Convergence and Community". See *Convergence and Community: The Americas in 1993*. Washington, DC: Inter-American Dialogue, 1993.

<sup>10</sup> See Abraham F. Lowenthal, "Argentina: Weak Institutions Keep a Good Country Down". *New Perspectives Quarterly*, Vol. 23 #4, (Fall 2006). Cf. Steven Levitsky and M. Victoria Murillo (eds). *Argentine Democracy: The Politics of Institutional Weakness*. University Park, PA: Pennsylvania State University Press, 2005.

<sup>11</sup> For insights on this point and others, see Javier Santiso, *Latin America's Political Economy of the Possible: Beyond Good Revolutionaries and Free-Marketeters*. Cambridge, MA: MIT Press, 2006. For a thoughtful review of recent literature on Latin American development, emphasizing broad consensus on the need for an assertive state role, see Leslie Elliot Armijo, "Leadership, Responsibility, Perhaps Democracy: New Thinking About Latin American Development", *Latin American Research Review*, Vol 42 #2 (June 2007), 202-211. For an interesting parallel argument about the role of the state in the U.S. context, see Derek Bok, *The State of the Nation: Government and the Quest for a Better Society*. Cambridge, MA: Harvard University Press, 1996.

<sup>12</sup> As worsening income inequality, widespread poverty, and expanding vulnerability all become more evident in the United States, Latin America's experience may well be recognized as relevant, as Mayor Michael Bloomberg of New York found on his 2007 visit to Mexico, where he studied the relevance to New York City of the Oportunidades program of conditional cash grants, much like the Bolsa Familia program in Brazil.

to put off work until “mañana”. These stereotypes persist despite the industriousness of São Paulo’s workers, the success of Chile’s niche sectors, Argentina’s booming agriculture, and the hard-working immigrants to the United States who come from Mexico, the Caribbean and Central America. They ignore such globally competitive multinational companies as Embraer, Vale, Odebrecht and Cemex; and world-class political leaders such as Fernando Henrique Cardoso, Ricardo Lagos and Ernesto Zedillo. And they overlook the abundant evidence in the United States itself that corruption occurs wherever and whenever it is not checked by strong regulation, investigative journalism, an independent Judiciary and other countervailing powers. Sometimes these negative images are couched in theories about cultural tendencies; often they are based on anecdotal impressions, compounded by prejudice and even by racism. Whatever their sources, these views should be corrected by greater exposure to Latin America’s success stories, more emphasis on structural and institutional issues, and greater self-awareness of U.S. flaws. Dismissive attitudes are not a sound basis for comprehension or for policy.

### **Looking North: improving Latin American comprehension of the United States**

The points this essay has advanced thus far may be “carrying coals to Newcastle”, “chover no molhado”, as people say in Brazil. If the foregoing seems obvious to many Latin American readers, perhaps that will provide credibility for the suggestions I want to offer of reciprocal steps Latin Americans might take to improve their analysis of the contemporary United States and of its likely evolution.

#### The complexity of US policy-making

Just as North Americans should disaggregate “Latin America”, it is equally important for Latin Americans to disaggregate the “United States” in order to comprehend its dynamics, direction and policies. Analysts of U.S. policy-making toward Latin America and the Caribbean have long understood that U.S. policies are typically made not simply by the President, the Department of State or any other unitary rational government actor. They emerge, rather, from a number of overlapping and interlocking bargaining processes among many different executive agencies and departments, Congress, the Judiciary, state and local governments and a host of nongovernmental actors, often in competition with each other.

It is hard to exaggerate how many other issues and relationships compete with Latin America for the attention of senior U.S. policy-makers. It is not only the special circumstances of the war in Iraq, the Israel-Palestine stalemate and the specters of nuclear Iran and North Korea that overwhelm Latin America in U.S. policy circles; there are always other issues and relationships of higher priority.

Latin America is rarely on the radar screen of U.S. policy-makers<sup>13</sup>. Appeals to senior U.S. officials to “pay more attention” to Latin America are consequently bound to fail; the best hope is to improve the quality of the limited attention they can devote<sup>14</sup>.

In its dealings with Latin America, the United States was never as coherent an actor as it was often portrayed from the South, but the complexity of U.S. policy-making has become much more pronounced in recent years, and U.S. policies have consequently further lost coherence<sup>15</sup>. Policies affecting Latin America and the Caribbean are shaped less by international power relationships and external challenges than by the interplay of domestic influences from different regions, sectors and groups: the Rust Belt and the Sun Belt; business and labor; growers, agricultural workers and consumers; diaspora organizations and anti-immigrant lobbies; faith-based communities of varying persuasions; foundations, think tanks and the media; criminal organizations, including the drug cartels, and the police; as well as groups formed to promote human rights, champion women’s causes, protect the environment and preserve public health.

Multiple relevant actors enjoy access to policy-makers in the extraordinarily diffuse and permeable U.S. policy process. This makes policy on issues short of imminent core security threats relatively easy to influence but very hard to coordinate or control, even when concerted attempts are made to do so – which is not very often, and will not be, given the number of other issues and relationships U.S. officials have to manage.

The relative importance for U.S. relations with Latin America of private actors has vastly increased in recent years, while the influence of the federal government on many issues has declined. In Latin America today, Microsoft and Walmart are much more important in practice than the U.S. Marines. CNN has a far greater influence than the Voice of America. Except in the Caribbean, Central America and Peru, AID may now be less significant than the insurance company AIG. Human Rights Watch is in some circumstances more consequential than the Pentagon, though the Pentagon has certainly regained a great deal of relevance since September 11, 2001. Moody’s, the bond-rating enterprise, no doubt often has more of an impact on Latin America than the CIA, and both the World Economic Forum at Davos and the World Social Forum

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<sup>13</sup> There is all too much evidence to support this point. The memoirs of prominent practitioners of US foreign policy (such as Henry Kissinger or Madeline Albright) rarely mention Latin America. See, for another example, the lucid discussion of U.S. foreign policy priorities by Richard N. Haass, president of the Council on Foreign Relations and former Director of Policy Planning at the State Department, in which there is almost no mention of Latin America or of any Latin American country. Richard N. Haass, *The Opportunity: America’s Moment to Alter History’s Course*. New York, NY: Public Affairs, 2005. This is unlikely to change. Senator Barack Obama’s major foreign policy address at the Chicago Council on Global Affairs, for instance, mentions Latin America in half a sentence.

<sup>14</sup> For some specific suggestions on how to improve the quality of U.S. attention to Latin America, see Abraham F. Lowenthal, “Setting Some Realistic US Goals”. *San Diego Union Tribune* (February 28, 2007).

<sup>15</sup> This and the following four paragraphs draw from “Os Estados Unidos e America Latina no Inicio do Seculo XXI,” *Politica Externa*, Vol 15 #3 (Dezembro/Janeiro/Fevereiro 2006-2007), also published in Spanish as “Estados Unidos y America Latina a Inicios del Siglo XXI”. *Foreign Affairs en Espanol* (Enero-Marzo 2007).

are in some ways more important today than the Organization of American States. The impact of the United States as a society on the countries of Latin America and the Caribbean is thus immense, but hard to control or direct through government policies.

The relative influence for inter-American relations of different parts of the U.S. governmental apparatus has also changed greatly over the years. The Department of State, the Pentagon and the CIA are no longer the main U.S. government agencies relevant to most of Latin America and the Caribbean, as they were from the 1940s to the 1980s. For many specific countries in Latin America today, the Secretary of the Treasury, the Chairman of the Federal Reserve and the President's Trade Representative are more important than the Secretary of State. The governors of California, Texas and Florida are as significant for some issues and countries as many officials in Washington, as is evident on immigration policy. The heads of Homeland Security and the Drug Enforcement Agency, officials of the Department of Agriculture, and members of the federal Judiciary frequently have much more impact than the Assistant Secretary of State for Inter-American Affairs.

For most Latin American countries, on most issues, the U.S. Congress is often much more relevant than the executive branch, and it is more open to diverse societal impulses and political imperatives. For a Latin American country to secure consistent favorable outcomes from the U.S. policy process is therefore a continuing challenge, one requiring constant vigilance<sup>16</sup>. Efforts to understand, predict and respond to U.S. policies can only succeed on the basis of thoughtful disaggregation, not broad-brush assertions<sup>17</sup>.

### The salience of regional differences

It is also advisable to disaggregate in a geographic sense: to emphasize how much of the dynamics of the United States derives from the interplay of its main different regions: the Northeast, the South, the Pacific Coast, the Mountain-Plains states and the Midwest<sup>18</sup>.

The struggle between conservative Republicans and liberal Democrats for control of the presidency, the Senate and the House of Representatives is shaped by contradictory currents in the five main geographic regions<sup>19</sup>. The Democrats now have ample control of the Northeast and the Pacific Coast; Republicans

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<sup>16</sup> A case study to illustrate this point would be the difficulty Colombia has had in 2007 in maintaining U.S. support for Plan Colombia and in achieving a Free Trade agreement with the United States, after years of successful lobbying for US preferences and assistance.

<sup>17</sup> Paradoxically, the Latin American country most adept at analytic disaggregation of the United States for purposes of policy-making may well be Cuba. Cuban agricultural purchases in the United States, for example, have much more to do with Congressional districts and political coalition-building than with market factors. I am indebted on this point to the observation of a well-informed senior U.S. government official.

<sup>18</sup> For a well-argued thesis that regional differences have always been important in shaping America's world role, see Peter Trubowitz, *Defining the National Interest: Conflict and Change in American Foreign Policy*. Chicago, IL: University of Chicago Press, 1998.

<sup>19</sup> The following paragraphs draw substantially on Earl Black and Merle Black, *Divided America: The Ferocious Power Struggle in American Politics*. New York: Simon and Schuster, 2007.

dominate the South and, to a less consolidated extent, the Mountain/Plains states; while the Midwest is a swing region. The two major parties are more polarized than ever before, as both conservative Democrats and liberal-moderate Republicans have shrunk in numbers and influence.

The Republicans have an advantage among white voters, whose share of the electorate is steadily declining, while the Democrats have an edge among ethnic “minority” groups, whose participation is rapidly growing; these differences are magnified by the regional demographic distribution. The fight for political dominance in Arizona, New Mexico, Nevada and Colorado – Mountain/Plains states that are now tightly contested – largely reflects the growing Latino presence and vote. The strong dependence of the Republicans on evangelical white Protestants for their hold on the South has tended to undercut their appeal elsewhere. The fierce internal struggle within the Republican Party over immigration policy must be understood in this regional political context<sup>20</sup>.

Related to these points, migration within the United States together with international migration has been steadily changing the demographic and consequently the electoral weight of the regions<sup>21</sup>. Representation of the Northeast in the House of Representatives has fallen since 1950 from 127 to 92 while the delegation from the Pacific Coast has grown from 33 to 84. The Midwest meanwhile has lost 32 House seats (132 to 100), but it has major prominence in national elections because it remains up for grabs.

The Democrats no longer face the Republican party of Ronald Reagan, which routinely carried the Midwest, the Mountain/Plains, the Pacific Coast and the South. For the foreseeable future, the Democrats will be competitive nationally because they dominate the Pacific Coast and the Northeast; because they are aligned with the prevailing demographic and attitudinal currents in these regions (secular, scientific and technological, concerned about ecology, and open to receiving and integrating immigrants); and because the values and demands of the Republican core constituency make it harder every year for that party to compete in these two major regions, in part of the Mountain/Plains territory and to some extent in the Midwest<sup>22</sup>.

On the other hand, the demographics of America’s major metropolitan areas have also been changing, with significant political repercussions. In the

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<sup>20</sup> See Timothy Egan, “Republicans Losing the West”, *New York Times* (June 21, 2007) A-25. See also Jennifer Steinhauer, “After Immigration Bill’s Senate Crash, Republicans May Pay Dearly in Latino Votes.” *New York Times* (July 1, 2007). A-16.

<sup>21</sup> See Michael Barone, “Demography is Destiny: the Realignment of America,” *Wall Street Journal* (May 8, 2007).

<sup>22</sup> On this point, see Kevin Phillips, *American Theocracy: The Perils and Politics of Radical Religion, Oil and Borrowed Money in the 21<sup>st</sup> Century*. New York: Viking Penguin, 2007, paperback edition, xxxi-xxxiii and 388-394. From his early book on *The Emerging Republican Majority*, published in 1969, describing, mapping, explaining and helping to build the coming ascent of conservative politics, to his recent writing arguing that the Republican national coalition has become “a willing vehicle for radical religions, entrenched energy policy and interests, and a run-amok indulgence of the ascending debt and credit industry”, Phillips has been an especially astute analyst of the regional dynamics of contemporary American politics.

coastal megalopolises – New York, Los Angeles, San Francisco, San Diego, Chicago (on the coast of Lake Michigan), Miami, Washington and Boston – the overall population numbers are static, but there is a steady and substantial outflow of native born Americans, 6% over the past six years, and a corresponding inflow of international immigrants. One result is the increasing emergence of a two-tiered society, with affluent homeowners and a struggling, mainly immigrant, working class. An entirely different picture is emerging in the “interior boom towns” (Las Vegas, California’s Inland Empire, Atlanta, Charlotte, Orlando, Tampa, Jacksonville, Dallas, Houston and Phoenix) where the population is very rapidly expanding (18% over the past six years), largely on the basis of both natural increase and internal migration by native-born Americans. In these cities, each gaining relative importance in its respective state, Republican values and voters dominate.

### The West Coast and Global California

Internationalists should focus special attention on the West Coast of the United States: from Seattle to San Diego. The West Coast is home for Microsoft, Amazon.com, Starbucks and the Bill and Melinda Gates Foundation (now by far the largest foundation in the United States) in the state of Washington; Nike, in Oregon; and several important corporations and foundations in California. California is home for Qualcomm and Sempra Energy in San Diego; Hewlett-Packard, Intel, Apple Computer, Cisco Systems, and all of Silicon Valley; Chevron-Texaco; the Walt Disney Company; and all of Hollywood; Amgen and other leading biogenetic companies; the Capital Group, the country’s largest money management firm; the major venture capital firms – in short, many of the most dynamic sectors of the American economy. The Hewlett, Packard and Moore Foundations are among the country’s largest, and new foundations are springing up on the basis of other high tech fortunes.

Universities of the West Coast – not just UC Berkeley, UCLA and Stanford but the University of Southern California (USC), UC San Diego, UC Irvine, UC San Francisco, Caltech and the University of Washington – are in the top tier in the United States and internationally. Universities, laboratories and enterprises on the West Coast are taking the lead in stem cell research, neuroscience, nanoscience and other cutting edge areas of scientific and technological inquiry. As of 2004, California had 98 Nobel Laureates, more than any country in the world, except the United States as a whole. More than 25,000 U.S. patents were granted to Californians in 2006, about four times the number granted to residents of second place Texas or third place New York. California is also the strongest base for the Sierra Club and many other environmental organizations, and is the center of the entertainment industry, projecting U.S. ideas and influence throughout the world via cinema and music<sup>23</sup>.

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<sup>23</sup> This and the paragraphs draw from Abraham F. Lowenthal, “Global California: Building Cosmopolitan Capacity for the 21<sup>st</sup> Century,” manuscript in preparation.

Like the state of São Paulo, California by itself has the dimension, the scope and feel of a nation. Its economy is twice as large as Brazil's, India's, South Korea's, or Mexico's. California's agricultural sector produces 70% more than the second largest farming state and almost as much as the next two combined. 89 of the 400 wealthiest Americans in 2006 resided in California; New York was second with 47, whereas in 1982 there were 81 from New York and 56 from California. Nine of the nation's fifty largest philanthropic foundations are based in California, including four of the top 10; New York, which was the unchallenged center of philanthropy just twenty years ago, has ten in the top fifty, but only two in the top ten.

California is also by far the nation's most demographically diverse American state. 27% of California's residents today were born in another country, up from 8% in 1960. Seven California cities are among the ten in the United States with the highest percentage of foreign-born residents. This massive immigration is not simply a question of unskilled labor, crossing the border illegally. A large and growing share of California's engineers, doctors, dentists, pharmacists, and nurses are foreign-born, as are many scientists and entrepreneurs. Only Harvard University has more foreign-born professors than Berkeley, UCLA and UC San Diego. USC has the country's largest number of international students. Los Angeles has the largest number of minority owned enterprises in the United States; three other California counties are in the top ten. 39% of start up technology companies in California were founded or co-founded by immigrants. As was true of Hollywood in the 1920 and 30s, so in Silicon Valley in the past thirty years, immigrant entrepreneurs have taken the lead, as illustrated by Intel, Google and Sun Microsystems.

All this diversity also has growing political expression. The mayor of Los Angeles is Latino, as is the Speaker of the California Assembly, who is the third Latino Speaker in a decade. The Governor, as is recognized world-wide, is an Austrian immigrant, but it is not well known internationally that when Mr. Schwarzenegger debated the other four leading candidates for Governor on state-wide television, three of them also spoke English with an immigrant's accent; two were from Latin America and one from Greece.

Internationalists around the world tend to connect with Washington, New York and perhaps Boston as professionals, and to be familiar with the rest of the United States, at best, only as tourists. This deformation should be corrected because California and the West Coast exert growing influence on the rest of the United States and its international behavior, on issues ranging from immigration to intellectual property, global warming, public health, and relations with Mexico, China and India.

### The supposed turn to the right in the United States

Just as many North Americans, drawing upon partial data and inadequate analysis, express concern about a perceived leftist tide in Latin America, so many Latin Americans today decry a turn to the right in the United States and the

adoption by the United States of imperial policies. Many aspects of the domestic evolution and international behavior of the United States have lent credibility to these interpretations. Religiosity has expanded in the U.S. public arena, and the influence of conservative evangelicals and fundamentalists has grown. There has been an increasing presence in the electronic media of voices from the right, and evident public sentiment in some regions against abortion, same sex marriage, stem-cell biomedical research, and even the teaching of evolution. The past few years have seen the weakening of many social welfare programs; worsening income distribution and regressive tax policies; anti-immigrant sentiment and legislation; the adoption of new laws and judicial decisions curbing cherished civil liberties to combat terrorism; and the step-by-step transformation of the Supreme Court into a conservative bulwark<sup>24</sup>. Controversy over these trends often appears to polarize the United States, and to divide the country into antagonistic “Red” and “Blue” populations, with the Blue (more liberal and secular) groups on the defensive.

On the international side, the United States has remained outside the International Criminal Court and the Kyoto Protocol on Climate Change. Washington is increasingly isolated at the United Nations. Some U.S. troops have committed atrocities in Iraq. U.S. authorities have established an off-shore incarceration center at Guantanamo Bay that may deprive prisoners of the protections afforded by the U.S. Constitution. Most important, Washington disregarded world opinion and well-established international procedures in undertaking the preventive 2003 war against Iraq. These and other U.S. policies in recent years have contributed to unprecedented levels of anti-Americanism in many countries<sup>25</sup>.

#### Is a new cycle beginning in the United States?

The United States may well now be moving into a new cycle of social, economic and political reforms however. Former Senator and one-time presidential aspirant Bill Bradley argues, for instance, that majority opinion in the United States is ready to adopt a “New American Story,” a substitute narrative to confront the country’s main problems through a combination of vigorous public and private efforts. Bradley contends that latent centrist majorities exist, ready to support moderate approaches on immigration, tax policy, environmental issues, women’s rights, gun control and even the divisive issue of abortion.<sup>26</sup>

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<sup>24</sup> For a recent appraisal of the Supreme Court’s transformation, see Linda Greenhouse, “In Steps Big and Small, Supreme Court Moved Right”, *New York Times* (July 1, 2007), A-1.

<sup>25</sup> See Pew Global Attitudes “America’s Image Slips, but Allies Share U.S. Concerns over Iran, Hamas”. <[www.pewtrusts.org/pdf/PGA\\_Report\\_2006.pdf](http://www.pewtrusts.org/pdf/PGA_Report_2006.pdf)> and “World View of U.S. Role Goes from Bad to Worse” at <[www.worldpublicopinion.org](http://www.worldpublicopinion.org)>. See also Julia Sweig, *Friendly Fire: Losing Friends and Making Enemies in the Anti-American Century*. New York: Public Affairs, 2006. and Andrew Kohut and Bruce Stokes, *America Against the World*. New York, NY: Times Books, 2006.

<sup>26</sup> Bill Bradley, *The New American Story*. New York, NY: Random House, 2007, 317 and passim.

Political scientist Morris Fiorina and other scholars argue, too, that it is grossly misleading to depict the American public, beyond the party activists, as deeply polarized, or as still moving significantly to the Right<sup>27</sup>. They suggest that the widespread perception of American “Culture Wars” arises from the role of confrontational political figures, single issue activists and media outlets that profit from and stir passionate controversy. On most issues, public opinion polls as well as voting behavior show a high degree of centrist consensus on many economic, social and cultural issues, in sharp contrast to the heightened polarization among party activists, members of Congress, media pundits and “think tank” oracles<sup>28</sup>. Even on wedge issues such as attitudes toward homosexuality, abortion and gun control, divisions of public opinion are diminishing steadily over time.

The high water mark of evangelical Christian influence on U.S. public policy may well have passed. Many Americans reacted adversely to the Terry Schiavo case, when Christian activists tried to use judicial and even Congressional intervention to force a brain-dead patient to be maintained on artificial life support against the wishes of her husband<sup>29</sup>. Voters in many regions have also reacted against fundamentalist attempts to prevent embryonic stem cell research and to prohibit the teaching of the theory of evolution in public schools and/or require the teaching of “intelligent design” and creationism versions.

Religious pressures on U.S. public policy understandably attract international attention and comment<sup>30</sup>. What is less widely noted internationally is that these pressures have been turned back somewhat and were even converted to a political advantage by Democratic candidates in a number of closely contested electoral districts in the 2006 Congressional races<sup>31</sup>. Viewed over time rather than as a snapshot, the overall trend of American public opinion in recent years has been toward greater secularism, multiculturalism, acceptance of

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<sup>27</sup> Morris Fiorina, with Samuel J. Abrams and Jeremy C. Pope, *Culture War: The Myth of a Polarized America*. NY: Pearson Education, 2<sup>nd</sup> edition, 2006. See also Juan Enriquez, *The Untied States of America: Polarization, Fracturing and Our Future*. New York, NY: Crown, 2005 for an especially stimulating and original discussion of changes in the United States in a globalizing world.

<sup>28</sup> For a provocative argument that U.S. “Think Tanks” have contributed to the over-simplification of American policy rather than as a necessary corrective of polarized public statements, see Stefan Halper and Jonathan Clarke, *The Silence of the Rational Center: Why American Foreign Policy is Failing*. New York, NY: Basic Books, 2007.

<sup>29</sup> See, for example, E.J. Dionne, “Polarized by God: American Politics and the Religious Divide” in Pietro S. Nivola and David Brady (eds), *Red and Blue Nation: Characteristics and Causes of America’s Polarized Politics*. Stanford, CA and Washington DC: Hoover Institution and Brookings Institution Press, 2006. Polls showed that 2/3 to 3/4 of Americans opposed the efforts by the President and some in Congress to pass federal legislation to interfere in the Schiavo case. See “Poll: Keep Feeding Tube Out: Most Americans Don’t Like Congressional Actions in Schiavo Case”, <[www.cbsnews.com/stories/2005/03/23/opinion/polls](http://www.cbsnews.com/stories/2005/03/23/opinion/polls)>.

<sup>30</sup> See, for example, Josef Braml, *The Religious Right in the United States: The Base of the Bush Administration*, Berlin: German Institute for International and Security Affairs, Stiftung Wissenschaft und Politik, SWP Research Paper (September 2004). Cf. Imtiaz Hussain and Jose Luis Valdes-Ugalde (eds), *By Other Means for Other Ends: Bush Reelection Reassessed*. Mexico City, Mexico: Centro de Investigaciones sobre America del Norte de la Universidad Autónoma de Mexico, 2005.

<sup>31</sup> See, for example, *Stem Cells Figure Prominently in 2006 Election*, Center for American Progress, Washington DC. Website (November 8, 2006).

abortion, and openness to alternative life-styles – even as the political process and much of the media have been highlighting division. A political movement to reassert national consensus around moderate positions is likely, and in many respects is already underway<sup>32</sup>.

In the international realm, the pre-eminence of unipolar American military, technological, economic and “soft” power was undeniable in the 1990s, in the aftermath of the Cold War’s *denouement*. But U.S. foreign policy since September 11, 2001 – often unilateral, disposed toward the preventive use of force, committed to the interventionist and even coercive spreading of democratic politics and other U.S. values, confident that U.S. preferences will triumph in a world-wide contest between the forces of good and evil – was by no means a necessary or even a probable corollary of overwhelming U.S. power, nor is it likely to last. On the contrary, this policy approach has rapidly exposed the limits of U.S. military superiority and the huge obstacles to implementing U.S. values and institutions, and it has substantially undermined the “soft power” of the United States<sup>33</sup>.

The domination of U.S. foreign policy during the first years of the George W. Bush administration by conservative “idealists” eager to spread American values by force, mainly associated with Vice President Richard Cheney, has already ended<sup>34</sup>. Experienced internationalists from the “realist” tradition, including Secretary of State Condoleezza Rice, have been trying to steer U.S. policy back toward more prudent, diplomatic and multilateral approaches. Regardless of the outcome of the next U.S. presidential elections, it is highly improbable that hegemonic “idealists” of the Cheney-Wolfowitz perspective will have much influence on U.S. foreign policy in the next few years.

The central question for U.S. foreign policy in the coming years is likely to be whether moderate and engaged internationalist policies will prevail, not against imperial tendencies but rather against the temptation of substantial sectors of American public opinion to withdraw into neo-isolationist, protectionist and anti-globalization modes<sup>35</sup>.

Sophisticated studies of U.S. public opinion on international affairs suggest that there has been great continuity and coherence, at the elite and mass levels,

<sup>32</sup> The emergence of Barack Obama as a competitive candidate for the Democratic presidential nomination has been based on the hypothesis of centrist consensus, as is the primary campaign strategy of Democratic front-runner Hillary Clinton. The possibility of an independent candidacy by Michael Bloomberg is apparently grounded on the same thesis.

<sup>33</sup> For a sage external appraisal of U.S. foreign policy, arguing that America’s main problem today is the gap between power and legitimacy, widened by the Iraq War, see Josef Joffe, *Überpower: The Imperial Temptation of America*. New York: Norton, 2006.

<sup>34</sup> For an insightful discussion of the unstable amalgam that produced U.S. foreign policy during the first George W. Bush administration, see Francis Fukuyama, *America at the Crossroads: Democracy, Power and the Neoconservative Legacy*. New Haven: CN, paperback edition with a new preface by the author, 2007. See, also, James Mann, *Rise of the Vulcans: The History of Bush’s War Cabinet*, New York, NY: Viking Penguin, 2004.

<sup>35</sup> According to a December 2006 CBS news poll, 52 percent of Americans think the United States “should mind its own business internationally,” a much larger number than had that view at the height of opposition to the Vietnam War. See Charles A. Kupchan and Peter L. Trubowitz, “Grand Strategy for a Divided America”, *Foreign Affairs* (July/August 2007), 71-83, especially 80-81. As Fukuyama argues, there is a danger “that the United States will switch from an overly militarized and interventionist policy to one that is excessively passive and self-absorbed.” Fukuyama, *Op. cit.* xxvi, 181-194.

of U.S. public opinion on foreign affairs: in favor of multilateral engagement, free trade, support for international institutions, international development assistance, respect for human rights and the integration of immigrants into American society<sup>36</sup>. The interplay (and disconnects) among broad public opinion, elite opinion and the mind-sets of policy-makers, as the interplay among these three will largely establish the parameters of U.S. foreign policy choices. Large numbers of Americans are pressing for the United States to play a more respectful, multilateral, constructive and peaceful international role, consistent with the ideas and values of most of its population<sup>37</sup>. The challenge for developing countries, in Latin America and elsewhere, will be to identify, understand and build bridges with the important forces in the United States who seek policies and institutions that would be congenial for the majority of the world's population<sup>38</sup>.

### Challenging stereotypes about the United States

As is true looking South, it is important looking North to question both excessively positive and exaggeratedly bleak images of the contemporary United States. Many Latin Americans today, even if perhaps fewer than ten years ago, greatly admire the United States for its productivity and prosperity; its education, science, technology and popular culture; its commitments to social equity and human rights, and to ending discrimination on the basis of race, ethnic origin or gender; and especially for the strength of its political institutions.

The sustained growth of the U.S. economy since the late 1930s, and particularly in the boom of the late 1990s, has been unprecedented. Particularly impressive has been the stunning spurt in productivity since the mid-1990s, largely attributable to the diffusion and increasingly efficient use of information technology<sup>39</sup>. Even with the entrance into the work force of many millions of women and recent immigrants, the United States has been able to sustain full employment, in contrast to many of Europe's economies. There has been a quantitative and qualitative expansion of American higher education; unquestioned U.S. preeminence in science; and the nearly universal spread of American music, cinema, television and literature. Although much remains to be done, the United States has succeeded in largely rooting institutionalized and legally embedded racism and sexism from American laws and life<sup>40</sup>.

<sup>36</sup> See Benjamin I. Page with Marshall M. Bouton, *The Foreign Policy Disconnect: What Americans Want from Our Leaders but Don't Get*. Chicago: IL: University of Chicago Press, 2006. Cf various studies by Steven Kull of the University of Maryland's Program on International Public Attitudes and by veteran pollster and analyst Daniel Yankelovich.

<sup>37</sup> See Steven Kull "Opportunities for Bipartisan Consensus 2007: What Both Republicans and Democrats Want in U.S. Foreign Policy" from the Program on International Policy Attitudes, University of Maryland. January 2007.

<sup>38</sup> For an eloquent appeal to restore a foreign policy for the United States based on underlying American ideas and values, see Anne-Marie Slaughter, *The Idea That is America: Keeping Faith with Our values in a Dangerous World*. New York, NY: Basic Books, 2007.

<sup>39</sup> See Lawrence Mishel, Jared Bernstein and Sylvia Allegretto, *The State of Working America, 2006-2007*. Ithaca, NY and Washington DC: ILR Press and Economic Policy Institute, 2007.

<sup>40</sup> It is noteworthy, for example, that two successive U.S. Secretaries of State have been African American, and the current leading candidate for the next U.S. presidential election is female. It is also stunning that less than one-third of the incoming students at the nine campuses of the University of California in 2007 are non-Hispanic whites. See Larry Gordon, "UC's Planned Freshman Enrollment Up Slightly: Latinos and African Americans Post Small Gains Over Last Year", *Los Angeles Times*. Jun 13, 2007.

But there are also troubling questions about the United States. Despite the general prosperity of the United States, the past five years, for example, real median income for African Americans, Hispanic Americans and other low and middle income families has been stagnant or even declining since 2000, a reversal of the gains made during the 1990s<sup>41</sup>. The number of persons without health insurance rose to at least 47 million in 2006, up by 7 million since 2000<sup>42</sup>. Low-wage and middle income Americans have had their health care, insurance and other benefits cut back and their pension rights changed, often reduced and sometimes eliminated. Many face sharply increased costs for housing and education. Both federal and state governments have cut funding for many public services (public libraries, mass transit, parks, museums, etc.), raising the expense for citizens or making these services inaccessible. While its infrastructure of roads, bridges, railways and other facilities has been deteriorating, the United States has been investing heavily in building prisons, and its incarcerated population has multiplied sixfold since 1972<sup>43</sup>. The deep division with the Democratic party over trade policy and within the Republican party over immigration reflect profound malaise among middle class Americans about the direction of the American economy and society. For the first time in U.S. history, many middle class Americans do not expect their children to have as many economic opportunities as they did, and they worry about vulnerability to the effects of globalization, immigration and technological change<sup>44</sup>. All these concerns are reinforced by widespread substance abuse, especially the use of crack cocaine. The syndrome of hopelessness, homelessness, narcotics addiction, unemployment, crime, gang violence, incarceration and recidivism in several of America's inner cities threatens to worsen<sup>45</sup>.

Indeed, the United States today faces its own issues of inequity, vulnerability, violence and governance. How profound these problems are became more evident to many Americans with the disaster of Hurricane Katrina in New Orleans and the Gulf Coast lowlands, and particularly with the storm's aftermath, when rescue and relief efforts concentrated on middle and upper class whites at the

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<sup>41</sup> Mishel, Bernstein and Allegreto, *op.cit.*

<sup>42</sup> The 47 million figure comes from the US Census Bureau's Current Population Survey. A study by Families USA, an advocacy group for the uninsured, suggests that the number of Americans without health coverage for part of the year is substantially higher. See Jordy Yager, "Study Finds 89.6 million Lacked Health Insurance", *Los Angeles Times* (September 21, 2007).

<sup>43</sup> See Becky Pettit and Bruce Western. 2004. "Mass Imprisonment and the Life Course: Race and Class Inequality in U.S. Incarceration." *American Sociological Review*, vol. 69, no. 2. (Apr., 2004), pp. 151-169.

<sup>44</sup> Robert Blendon and John Benson, "How Americans View Their Lives", *Challenge*, vol. 50# 3 (May-June 2007) 5-25.

<sup>45</sup> See Erik Eckholm. 2006. "Plight Deepens for Black Men, Studies Warn", *New York Times*. March 20, 2006 and also see National Institute on Drug Abuse fact sheet. 2003. <<http://www.drugabuse.gov/Infofacts/nationtrends.html>>

expense of disadvantaged African American residents. Two years later, the poor in New Orleans are still slighted in the process of attempted civic and regional recovery<sup>46</sup>.

### The crisis of political institutions

Many Latin American colleagues particularly admire the United States for its political institutions. In many cases they were profoundly impressed by the success of the non-violent civil rights movement during the 1960s, and then by the constitutional resolution in the 1970s of the Watergate crisis. From this and other experiences, including the hearings of the U.S. Senate's Select Committee on Intelligence, known as the Church Committee (which documented and curbed abuses by U.S. intelligence agencies), they gained a deep appreciation of the U.S. political system. Today, however, U.S. political institutions are severely challenged: by massive public apathy and non-participation in elections over most of the past few years; the distorting effect of unprecedentedly large campaign spending; the impact of the overwhelming concentration of media ownership, combined with increasing audience segmentation and fragmentation; growing public reliance on unedited and unmediated internet sources of information; corporate corruption and incestuous relations among companies, lobbyists and public officials; relentless partisanship, especially in Congress, with evident disregard for historic rules and traditions in the House of Representatives; and apparent interference with long-established nonpartisan processes of law enforcement<sup>47</sup>.

### Recognizing the dynamism of the United States

None of this, however, justifies the portrayal of the United States, now fashionable in some Latin American circles, as a terminally corrupt society, in the throes of its ultimate if not imminent demise<sup>48</sup>. While most other advanced industrial powers face declining and rapidly aging populations and consequent major demographic problems, the United States continues to have a growing and relatively young population. Although tensions over immigration and the introduction of a border fence understandably attract international attention, the truly big story in the United States today is the largely successful integration of millions of new immigrants, many from Latin America and Asia<sup>49</sup>. Although the quality of U.S. public education has declined in recent years, efforts to rebuild

<sup>46</sup> On Hurricane Katrina and its aftermath, see Oxfam America, *Forgotten Communities, Unmet Promises: An Unfolding Tragedy on the Gulf Coast*. Boston, MA: 2006. See also "What Went Wrong in Hurricane Crises", *Dateline NBC*, September 9, 2005 and Larry Eichel, "What Went Wrong", *Knight Ridder Special Report*, September 11, 2005.

<sup>47</sup> See, for example, Thomas E. Mann and Norman J. Ornstein. 2006. *The Broken Branch: How Congress is Failing America and How to Get it Back on Track*. New York: Oxford University Press.

<sup>48</sup> For a stimulating discussion of parallels between Rome's demise and the deterioration of the United States, with cogent suggestions for reversing America's decline, see Cullen Murphy, *Are We Rome? The Fall of an Empire and the Fate of America*. Boston, MA: Houghton Mifflin, 2007.

<sup>49</sup> More international immigrants entered the United States during the 1990s than in any previous decade of the nation's history, and the process of their integration is much more rapid and positive than occurs in Europe or elsewhere.

and modernize America's schools are now underway. The gap between the income and wealth of the most prosperous and least prosperous Americans has widened, but a backlash is occurring against excessive corporate compensation and blatant tax privileges for the enormously wealthy. There are also increasing efforts to highlight poverty and develop effective policy responses<sup>50</sup>.

Vigorous and creative efforts to restore vitality to American political institutions are in train<sup>51</sup>. Voter participation has actually been increasing early in the 21<sup>st</sup> century after a long decline, and public interest in public and international affairs is growing<sup>52</sup>. Younger Americans are reportedly paying especially high attention to public affairs, in contrast to a decade ago, and are more likely than the general public to favor a government-run universal health care insurance system, policies that welcome immigrants, and the legalization of gay marriage<sup>53</sup>.

America's world role, and its relations with Latin America, will likely be significantly affected by the success or failure of these efforts to revitalize American political institutions. Just as North Americans should not underestimate Latin America's potential for development, Latin Americans should not underestimate the capacity of the United States for creative renewal.

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<sup>50</sup> See, for example, John Edwards, Marion Crain, and Arne L. Kalleberg, (eds) *Ending Poverty in America: How to Restore the American Dream*. New York, NY: The New Press, 2007.

<sup>51</sup> See, for example, Kevin O'Leary, *Saving Democracy: A Plan for Real Representation in America*. Stanford, CA: Stanford University Press, 2006. Comparable efforts to reinvigorate market capitalism and help corporations recover from a climate of corruption and mistrust may be found in Daniel Yankelovich, *Profit with Honor: The New State of Market Capitalism*. New Haven, CN: Yale University Press, 2006.

<sup>52</sup> See, for example, Michael P. McDonald. "Up Up and Away! Voter Participation in the 2004 Presidential Election". *The Forum*. Vol. 2: Iss. 4, Article 4.

<sup>53</sup> See Adam Nagourney and Megan Thee, "Young Americans are Leaning Left, New Poll Finds", *New York Times* (June 27, 2007) A-1.

# US-Latin American relations: does anyone care?

*Peter Hakim\**

The Center for Study of the U.S. is a creative and important initiative. My expectations are high that the new Center will contribute significantly to the quality of Brazilian-U.S. relations and to Brazil's foreign policy generally. I am also convinced that the Center can make a valuable contribution to U.S. foreign policy toward Brazil. For U.S. officials and analysts, it will be a window on how Brazilians think about US policies and politics. And Americans will surely learn a great deal about themselves by being studied from outside.

The Center is being founded at an especially good time. Relations between the U.S. and Latin America are strained, and they could get worse. There are reasons for optimism about the evolution of the U.S.-Brazil relationship, particularly after this year's exchange of visits between Presidents Bush and Lula. Yet, the two countries disagree in many areas and tensions have emerged over some crucial issues – most prominently the trade agenda. Brazil and the U.S. recently clashed at the Doha round of global trade talks, and blame each other for the failure to advance negotiations. And both sides are partially correct.

More than just U.S.-Brazil ties are at stake. Inter-American relations today are increasingly shaped by Brazil and the U.S. When the two countries find grounds for cooperation on an issue, most other nations in the Americas will join in. When they remain at odds, the hemisphere invariably is divided. Good relations with Brazil are vital to sustaining the U.S.'s shaky credibility in the region – and they help Brazil pursue its international and regional aspirations. As a side effect, they also help to offset the influence of Hugo Chavez and keep his anti-American campaign in check.

By contributing to a better understanding of the attitudes, institutions, politics, and people that underlie U.S. policy making, the Center's work will enrich Brazilian debates on the policy issues and choices that it confronts as it deals with Washington. And that should lead to improved decisions that better serve Brazil's interests and values. It may also change the perspective that Brasilia brings to its relations with Washington – perhaps facilitating cooperation and making it more productive.

The creation of the Center acknowledges the importance of the United States to Brazil and the rest of Latin America, and conveys the expectation that Washington will play a sustained and vital role in the region into the future. The first part of this essay will discuss why a constructive relationship with the U.S. is critical for the region. The second part will examine a theme that should be

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high on the Center's agenda – how to understand the various cross-cutting influences that shape and constrain US foreign policy and their effect on decision making on hemispheric issues.

### **The importance of the U.S. to Latin America**

Last year, I wrote an article called *Is Washington Losing Latin America*. The theme of the article was that the U.S. relationship with Latin America had deteriorated sharply in recent years. One explanation for the deterioration was that most Latin American governments felt, justifiably, that the U.S. had become largely indifferent to developments in the region, and that its policies, on the whole, were not well aligned with the region's interests and preferences. Just as important, most Latin Americans were unhappy with the global policies of the U.S., particularly its conduct of the war in Iraq and its dismissive attitude toward international institutions and initiatives.

The article also pointed out that it was not only the U.S. that was at fault. There was also a faltering of leadership in Latin America. Governments were failing to carry through the political and economic reforms needed to build strong national economies and fully exploit the opportunities offered by the U.S. and global economies. They were also neglecting the region's deep economic inequities and social tensions, which ended up polarizing and unsettling politics in many places. Too often, Latin American governments only grudgingly cooperated with the United States or each other. And several of the region's leaders had turned to populist and anti-US rhetoric to win adherents and votes.

Today, I am concerned that Latin America may be losing Washington. What I mean is, simply, that much of Latin America today is not pursuing the policies that will lead to greater cooperation with the U.S. or allow the nations of the region to take good advantage of the enormous economic and political assets of the United States.

There are ample reasons that Latin American nations are frustrated and disappointed by the U.S. In recent years, Washington has not been a good partner. It has largely turned its attention and resources to the Middle East, and become increasingly unresponsive to developments in the region. And when Washington has engaged, it has often been overbearing, pressing Latin American governments to pursue policy courses that they found uncomfortable, offensive, or just wrong.

Still, the U.S. has an immense \$14 trillion economy, some six times that of Latin America. It represents a huge market for Latin American exports – as it is for exports from China, Japan, Korea, and the European Union. Today, the U.S. is the first or second largest trading partner of nearly every Latin American country. It is also an immense – virtually unlimited – source of investment capital, which every country of the region needs to grow and address its social needs. And it is through investments that Latin America gains access to new technological developments as well. Latin American migrants in the U.S. will send more than \$60 billion to their families in the region this year.

Most countries acknowledge the importance of strong trade links and other economic ties with the U.S. Most of Latin America's 19 nations have signed bilateral free trade pacts with Washington, although some of them still await U.S. congressional approval. Even those governments that reject free trade negotiation with the U.S. – Bolivia and Ecuador, for instance – have lobbied Washington hard for trade preferences to keep U.S. tariffs low. The harshest critic of U.S.-Latin America trade deals, Venezuela, sends most of its oil to the U.S. duty free.

The U.S., however, is not merely a huge market and capital reserve for Latin America. For better or worse, the U.S. continues to play an important political role throughout the region. No country has done more to assist Colombia's battle for survival against illicit drug trafficking and guerrilla violence. Last year, Washington helped to stop the constitutionally suspect ouster of Nicaraguan President Bolaños. It also clumsily (and unsuccessfully) intervened to prevent the re-election of its old nemesis President Daniel Ortega. And the U.S. has enormous influence in every one of the international financial institutions. On these political dimensions, the U.S. clearly has a very mixed historical record in Latin America. Many observers would suggest that the U.S., at least for some countries, may have been more of a liability than an asset. But it is also clear that the U.S. has considerable influence in many dimensions.

Latin America is certainly in a stronger position than any other region of the world to take advantage of the U.S. economy. First, Latin America is the U.S.'s neighborhood – the only place where the U.S. is a full member of regional organizations, where the U.S. president actively participates in periodic summits with all other heads of state, and where the U.S. has sought to negotiate a regional free trade agreement. Latin America and the Caribbean are the only places where Washington can have a “good neighbor” policy.

Moreover, along with Europe, Latin America is the region that most shares political values and economic policy views with the U.S. Democracy in the region has turned out to be surprisingly robust. Every one of 16 recent presidential elections in Latin America was judged to be free and fair by international observers. Only in one country, Mexico, did the loser dispute the outcome. All the elections were competitive and voter turnout was high everywhere.

Fears that a “left-wing” trend in Latin America was about to upend democratic progress and scuttle good economic policy were wrong. The “left” clearly won more than its share of elections, but few nations in the region have radically changed their economic or political course. Latin American governments have almost universally adopted market economic reforms. The region's businesses are almost all in private hands, foreign trade and investment is growing, and budgets are in balance. True, the pace of reform has slowed, but there has been no wholesale turning back to state control or populism. Many governments publicly rail against the Washington Consensus policies promoted by the World Bank and IMF, but they mostly follow them in practice.

Despite its geographic proximity and the historical ties to the U.S., and its convergence with the U.S. on key economic policies and political values, Latin

America is barely keeping pace with other regions of the world on the quality and intensity of its relationship with the U.S. A quarter of a century ago, in 1981, 18 percent of the U.S.'s international trade was with Latin American nations; today it is 19 percent, but most of that (11.5 percent) is with Mexico. About 1/6 of all U.S. overseas investment goes to Latin America – a number that has hardly changed since 1990. Asian students are studying at U.S. universities in far greater numbers than those from Latin America. This year, nearly 60 percent of international students enrolled in U.S. universities are from Asia compared to just 6 percent from Latin America. And the total number of Latin American students is almost unchanged since the early 1990s. The countries of Latin America are simply not taking much advantage of their great access to U.S. They are underutilizing a potentially huge asset.

### **The failure to advance economic cooperation**

The collapse of negotiations for a hemisphere-wide free trade agreement, a mutual failure of both Latin America and the U.S., was a significant setback for regional economic cooperation. In 1991, nearly every Latin American government welcomed the first president George Bush's proposal to work with the region's governments to establish a free trade zone from Canada to Argentina. At the first Summit of the Americas in Miami in 1994, all of the 34 participating nations of the hemisphere agreed to start negotiating the Free Trade Agreement of the Americas (FTAA), and to conclude a treaty by 2005. They reaffirmed this deadline at three successive summit meetings, in Santiago, Quebec City, and Monterrey, but by 2002 negotiations had stalled, and the following year, they broke down completely. At the fifth summit in Argentina, the assembled heads of state failed even to agree on a date to restart talks. Only five of the 34 assembled countries opposed the reopening of negotiations – Brazil, the other three countries of Mercosul, and Venezuela – but that was enough to bring the talks to an end. Indeed, Brazil's opposition alone would have been sufficient to derail the negotiations.

The paralysis of the FTAA negotiations fundamentally reflected the disagreements between the U.S. and Brazil over trade issues. A former Mexican trade negotiator argues convincingly that the U.S. and Mexico, before reaching agreement on Nafta, were in greater discord than Brazil and the U.S. are today. Yet Mexico and the U.S. succeeded in reaching agreement because they were determined to overcome their differences and make the concessions needed to complete the Nafta treaty. Neither the U.S. nor Brazil is similarly committed to a hemispheric trade pact.

The impasse over the FTAA underscores Brazil's central importance in hemispheric affairs. Indeed, inter-American relations today largely pivot around Brazil and the U.S. When the two countries find grounds for cooperation – as, for example, they have in Haiti – other nations will want to participate. When they cannot, hemispheric cooperation remains elusive (indeed, the low priority Brazil currently assigns to most hemispheric initiatives is an important reason

for the weakening of regional initiatives in the Americas). Both the U.S. and Brazil share responsibility for the failure to conclude the FTAA – which is damaging to the interests of both nations and to the interests of most other countries in the hemisphere.

It is hard to understand why Brazil is opposed to further negotiations. Sure, it is uncertain whether renewed talks would succeed – whether the U.S. and Brazil would be prepared to offer the concessions necessary for a treaty. But without negotiations, there is no chance at all that a beneficial accord will be reached.

### **A new trade strategy for the U.S.**

Following the breakdown of the FTAA talks, the U.S. began to pursue a new strategy – to negotiate bilateral treaties with as many countries of the region as possible. So far the U.S. has reached agreements with 11 countries (including Mexico), although four of these still need to be ratified, three by the U.S. Congress and one by Costa Rica's legislature. These bilateral pacts, by assuring continuing access to the U.S. economy and strengthening trade and investment rules, bring real and substantial benefits to the countries signing them. But they are not nearly as valuable either to the U.S. or to the Latin American nations as a comprehensive FTAA, which would join together every economy in the hemisphere in a single, inclusive relationship.

Moreover, Latin American governments are at a great disadvantage negotiating bilateral treaties with the U.S. Because Washington has been so inflexible and ungenerous in the terms it has been willing to offer, even the strongest advocates of the treaties have been unhappy with their content. Free trade agreements with the U.S. provide important benefits to the countries signing them, but they are far from ideal.

The FTAA has lost credibility, but there are other approaches to economic cooperation and free regional trade that should be explored. Every country in the Americas could benefit from reinitiating hemispheric trade talks – and the cost of continuing negotiations is low. If Brazil were willing to provide the leadership, that could be accomplished relatively soon (to be sure, the U.S. president may not be able to secure full negotiating authority from Congress in the next few years, but FTAA talks were conducted for the many years that President Clinton lacked that authority as well).

Besides its commercial impact, a hemispheric trade agreement would inevitably lead to expanded investment flows to Latin America from the U.S. and other industrialized nations. That is what has occurred following the approval of bilateral agreements. But with or without free trade arrangements, there is a great deal the countries of Latin America can and should be doing to increase investment from the U.S.

According to the IMF and other international financial institutions, Latin America is lagging other developing regions in securing international investment, which the region desperately needs to sustain economic expansion and raise

incomes over the longer term. What Latin American nations have to accomplish is straightforward, if politically treacherous. They can substantially increase their appeal to investors – as many Asian and Central European countries have done – by pursuing productivity enhancing reforms in such crucial areas as taxation, labor, and pensions; by improving and expanding their deteriorated physical infrastructure; and by strengthening their regulatory agencies. Investors would also respond positively to improvements in the quality of schools and universities; improved policies for the expansion and security of energy supplies; and further lifting of barriers to trade. In short, Latin American governments need to improve the climate for business in their countries in order to generate more investment from the U.S. and elsewhere. If they do not, corporations and banks will find other destinations for their capital – and the region will forego opportunities for growth.

Many countries could quickly generate new investment flows. Mexico provides a powerful example. Although there are strong political and historical reasons for Mexico to exclude foreign investment from its oil sector, the effects are damaging to the future of its petroleum industry and to the country's long term development. Mexico could easily attract huge investments to help exploit its energy resources; there are many willing investors. If it fails to do so, it may end up unnecessarily depleting its most important export. In Argentina, price controls have kept foreign investors out of the energy sector, while decisions to nationalize gas and oil facilities in Venezuela and Bolivia have sharply reduced prospects for new investment.

The best way for Latin America to build its lagging scientific and technological capabilities would be to increase foreign investment across the board, in high tech industries as well as commercial agriculture and services. In addition, as China and India have done, Latin America could be taking far greater advantage of the U.S.'s enormous scientific and educational resources – by joining with U.S. companies, universities, and research institutes in R&D efforts; by sending far larger numbers of its students to U.S. universities and graduate programs; and by investing more to build the quality of its own schools and universities. Latin American nations are missing important opportunities for growth and social development by neglecting to take satisfactory advantage of their access to U.S. resources.

### **Making better use of regional institutions and opportunities for cooperation**

The regional institutions that bring together the U.S., Canada, and the nations of Latin America and the Caribbean – prominently including the regular Summit meetings, the Organization of American States, and the Inter-American Development Bank – have not been constructively used by their members, not by the U.S. nor by Latin America. All of these institutions should be centers for resolving differences among countries and confronting shared problems. At times, they have served these purposes, but today, more often than not, the regional

institutions are the place where conflicts and difference are played out rather than resolved. Their day-to-day operations reflect the troubled state of hemispheric affairs; they have had little success at reducing tensions or improving regional ties. For example, the OAS and other regional institutions effectively provided technical support to the FTAA while negotiations were proceeding. Now, with negotiations stalled, the expert teams they assembled are largely idled – which does not serve the interest of anyone.

Instead of using regional institutions to address disagreements over trade or other issues, governments often exclude problematic themes from discussion or debate. At the last summit meeting in Argentina, the issue of trade was omitted from the agenda. The Inter-American Democratic Charter, signed by every elected government in the hemisphere in 2001, has rarely been used to prevent or repair constitutional breaches.

To be sure Latin Americans have not stopped all cooperation with Washington. Following the ouster of President Aristide from power in 2004, Brazil and other countries of South America responded to U.S. urging to assume responsibility for peacekeeping activities in Haiti. This was warmly welcomed in the U.S., and has contributed to the current quality of U.S.-Brazil relations. Recognizing the growing damage of narcotics trafficking to their own societies, Latin American governments have stepped up cooperation with the U.S. in the battle against illicit drugs – even though most consider the U.S. approach as too rigid and unresponsive to their concerns. Still, there has been a sharp drop in the region's conflicts with U.S. on drug-related issues.

Cooperation on other issues could serve both U.S. and Latin American interests. Today, in the United States, immigration – particularly from Latin American countries – has become a central issue of domestic politics. Administration officials and members of Congress claim no other issue incites more political passion. But, U.S. immigration policy also powerfully affects attitudes toward the U.S. across Latin America, and is the most important matter affecting U.S. relations with Mexico, Central America, and the Caribbean. The immigration issue has been managed badly by the U.S., harming the US economy and relations with many Latin American countries, and increasing the personal hardships confronted by immigrants, legal and illegal. Currently it appears impossible to craft a policy package on immigration that, on one hand, can gain U.S. public and congressional approval and, on the other, will be viewed as even minimally tolerable in Latin America.

Although sensitive politically, Mexico and Central America could contribute to the prospect of a more constructive U.S. approach to immigration issues if they demonstrated a willingness to work with the U.S. to bring about a more orderly migration flow. This would not mean that Mexican troops would have to patrol the border. Rather the Mexican government, through a combination of employment-centered development, anti-poverty, and public education programs, particularly directed to areas of high migration to the U.S., might seek to reduce the incentives for migration. Mexico could also be helpful in organizing and monitoring temporary work programs that would reduce the

prospects of labor exploitation and identify mechanisms to assure participants return home. This could help to reduce U.S.-Latin American strains over migration and might lead to U.S. policies that would be more aligned with the region's interests and preferences.

Most Latin American countries have a mix of ideological and practical reasons to maintain their independence from the U.S. And the evolution of global affairs and developments in the region has facilitated an independent stance. There are few people anywhere who would argue for a return to U.S. hegemony in the region. No one argues that Latin American nations should tolerate a second class status with respect to the U.S. and accept U.S. leadership and direction in return for Washington's good will or economic advantage. Latin America's political horizons and economic opportunities have expanded – while Washington's ability to shape events in the region has diminished.

But whatever the various pressures for greater independence, the U.S. is still a potentially critical asset for Latin America that can contribute in a variety of ways to the region's development. If Latin America can take advantage of that, the region's countries will end up stronger and more prosperous – and able more forcefully to assert their independence and pursue increasingly diverse foreign policies.

### **What drives U.S. foreign policy?**

The work of the new Center for the Study of the United States should improve Brazil's ability to make intelligent choices about its policies and actions toward the U.S. – and take more productive advantage from its ties to the U.S. One key objective of the Center should be to generate a better, more complete understanding of the elements that shape U.S. foreign policy.

Latin American officials and analysts (and those from other parts of the world as well) often make two fundamental mistakes when they seek to understand or influence U.S. foreign policy. First, they start from the assumption that U.S. policy decisions can be largely explained by reference to the U.S. interests at stake. Interests are an important motivating factor, but they compete with a range of other motivations – including ideas and values, institutions, and individual leadership (these can be thought of as the four I's of U.S. foreign policy – interests, ideas, institutions, and individuals).

The second mistake is the assumption that the U.S. government operates like an institution, corporation, or individual that has a relatively clear and unified set of interests, values, and goals. That is just not the case. Washington's decisions result from the cross-cutting pressures and influences of many different organizations and individuals all pursuing their own preferences. Policies emerge not from a sterile calculation of what U.S. interests are at stake and how best to pursue them, but rather from continuing battles among groups with very different objectives and outlooks.

**Ideas and values.** Like any other country, ideas and values play a key role in Washington's decision making. Ideas and values are a short hand way to

describe such things as what U.S. leaders and citizens think about their own country – what kind of country it is and what kind it should be, what its place and role in the world should be, how it should exercise that role, and how it perceives the rest of the world. Clearly, there is no single set of ideas and values held by all or even a majority of Americans. Instead, U.S. citizens, like those of most other countries, hold many diverse, even conflicting ideas and contrasting values. And the ideas themselves are not necessarily coherent.

But there is one broadly shared concept that has a great deal of influence on foreign policy thinking in the U.S. The great majority of Americans believe that their country is special, exceptional – that it is generous, fair minded, and well intended. Most Americans contrast this with the rest the world, which they mostly distrust and see as driven by material self-interest. Even when the U.S. policies are widely disliked and criticized, as in the case of Iraq today, Americans believe that Washington acted on the basis of good will and good intentions. Ronald Reagan referred to the U.S. as the “city on the hill.” Secretary of State Madeline Albright, who served under Bill Clinton, called the U.S. the indispensable nation. The American people not only want their foreign policy to include a sense of morality. They are usually convinced morality is the main driver of policy. U.S. exceptionalism easily leads to self-deception and rationalization.

With this fundamental view, it is not surprising that foreigners often consider the U.S. to be arrogant and self-righteous. The idea that the U.S. is a special country with particularly high ethical standards explains why Americans remain convinced their country’s actions are appropriate and justified, even when they are opposed by many other nations. It also gives Washington license to act unilaterally and make use of force – while making it difficult for the U.S. government to admit it was wrong, apologize, or change course. And it sometimes makes the U.S. appear hypocritical, when it fails to follow the standards it demands of other nations.

But it is also true that the U.S., partly because it sees itself as a just nation, does give significant attention to values in the design and implementation of its policies, and has historically contributed importantly to the development of international rules and norms. It has over the year done a great deal to promote democratic governance, rule of law, and human rights. Values are important in U.S. decision making, and it is unusual that they are openly abandoned or disregarded. But values often are in competition with U.S. fears and interests. During the Cold War, the U.S. often failed to follow democratic principles, if it considered its security to be at stake or felt challenged by the Soviet Union, as it did in Allende’s Chile. Today the U.S. has shown it is all too ready to set aside democracy and human rights if they interfere with the war against terrorism. The U.S. is rarely indifferent to democracy or human rights; in making choices, however, it often assigns higher priority to other objectives.

**Institutions.** The State Department, Defense Department, and the National Security Council all play central roles in the shaping of U.S. foreign policy. That is what they were meant to do. But they are only a few of the large

number of executive branch institutions, many of them with largely domestic mandates, that engage international issues. When decisions affecting Mexico have to be made or implemented, it often takes a fair sized auditorium to hold the representatives of the various agencies and departments who are involved. And as Abraham Lowenthal has pointed out in a companion article, the executive branch is not the only decision-maker. Critical decisions about immigration or trade, for instance, can involve congressional committees and sub-committees, regional authorities, and state and local government offices plus an enormous array of business, labor, and other non-governmental organizations. The ultimate approval of Colombia's free trade pact will be determined by a tug of war involving Democratic leaders in Congress and allied human rights groups and labor unions, on one side, and the White House, State Department, the U.S. Trade Representative's Office, other executive agencies, many large U.S. corporations, business associations, and think tanks on the other. In short, there is no national interest at play. The decision emerges from a struggle among the interests and values of many different groups.

Another example from the area of trade policy will help to illustrate how institutional arrangements affect policy outcomes. Until the 1970s, U.S. trade negotiations were managed by the State Department, just as Itamaraty today has that responsibility in Brazil. Congress took the initiative to establish a separate department to take over negotiating responsibility because it thought geopolitical criteria were driving State Department's decisions – while economic considerations directly affecting congressional voters were neglected. The USTR is an executive branch agency, but with special links to Congress. As a result of Congressional involvement, external lobbying groups (from such sectors as business, labor, human rights, and the environment) now have a great deal more influence on trade policy and severely limit both the independence and flexibility of U.S. negotiators.

**Individuals – and leadership.** Leadership style and capacity does make a difference. There is virtual consensus that the appointment of Tom Shannon as the Bush Administration's senior policy official responsible for Latin America has changed the tenor of U.S. relations with the region for the better. He has managed to remove much of the surface tension and unnecessary confrontation that had characterized the relationship. Still, he has not been able to do much to reshape policy – as U.S. foreign affairs attention remains focused elsewhere.

President Bush was instrumental in promoting the U.S. trade agenda in Latin America, aided by a skilled U.S. Trade Representative, Robert Zoellick. It required an intense White House campaign to secure congressional approval for the president's "fast track" trade negotiating authority in 2001, which passed by only one vote in the House of Representatives. A similar, presidential-led campaign was needed to gain Congress's approval of the Cafta trade agreement in 2006, this time by two votes in the House.

Although President Clinton managed to obtain a congressional majority for Nafta in 1993, he never committed himself sufficiently to revive fast track authority during his next seven years in office. Free trade was not a central priority for the Clinton White House.

When President Bush's immigration reform proposals were considered by Congress in early 2001, the president's authority and influence were substantially diminished and the proposals were mostly rejected; indeed, they were supported by less than one-third of all Republican senators. Yet, even at the height of his power, immigration reform might well have been defeated in Congress given the fervent views on the issues held by most Americans. Presidential leadership is critical on many foreign policy issues, but it is not always the determining factor.

**Interests.** What is crucial to understand is that the great bulk of U.S. foreign policy decisions do not, at least in any meaningful definition of the word, reflect U.S. national interests. Indeed, there are contrasting views about what precisely national interests are. The State Department or the White House invariably claim they are acting in the national interest – but most of the time their decisions emerge from clashes among different values, bureaucratic positions, philosophic approaches of different officials, and the pressures that outside groups of many types are able to exert. Whatever decision emerges – whether to invade Iraq, make concessions to North Korea, or impose new sanctions on Cuba – is declared the national interest. But it generally reflects either the particularistic interest of a few institutions or individuals – or results from a struggle among conflicting interests.

U.S. agriculture policies, for example, are a contentious matter for Brazil and the rest of Latin America, and an enormous obstacle to regional and international trade liberalization. It may be the most important issue dividing the U.S. and Brazil. But it is hard to identify what U.S. national interests are served by U.S. farm subsidies and tariffs. These are the handiwork of a small number of powerful domestic agricultural producers who benefit from the tariffs on ethanol and orange juice, quotas on sugar, and corn and cotton subsidies. Other interest groups – from candy manufacturers to consumers of energy – just cannot match the power of the agricultural lobby. Even the formidable Miami Cuban community could not resist the demands of agricultural producers. That is why the U.S. is now the largest exporter of food to Cuba. Most of the time, it is not very productive to try to explain U.S. foreign policy in terms of U.S. interests.

There is a fifth “I” that drives U.S. policy today – Iraq. The invasion of Iraq, the conduct of the war, and an array of linked developments have dominated U.S. foreign policy and national politics most of the past four years. Other international issues have been largely set aside and neglected. The impact on Latin America has been two-fold. First, Washington's engagement with the region has been sporadic and often indifferent. There is simply no time left to spend on formulation or implementing U.S. policy in Latin America. Second,

events in and associated with Iraq have deeply alienated most of Latin America from the U.S and have made it difficult to maintain a constructive relationship. The Iraq war has also consumed an enormous quantity of U.S. resources.

The conclusion to draw is that U.S. policy toward Latin America is mostly derivative. It is most often driven by a combination of Washington's broader international agenda, powerful domestic interests, and the demands of national and local politics. Policy choices rarely respond to U.S. interests in Latin America or to the needs of the region. The core elements of Latin American trade agreements, for example, emerge from the cross-cutting pressures of many domestic groups – agricultural producers, drug companies, environmental activists, labor unions, and others. Because it engages such deep political passions, immigration policy has been managed almost exclusively as a domestic issue. U.S. decision makers largely ignore the effect of U.S. immigration laws on other countries or on their relations with Washington. Anti-narcotics strategies are mostly driven by local and national law enforcement agencies. Cuba policy more than anything else responds to the demands of Cuban-American politics, except when these are trumped by farm policy.

Still, a strong president can sometimes make a difference – if he or she is prepared to exercise leadership and challenge some of the domestic political and economic interests that now shape the contours of U.S. policy in the Western Hemisphere. It has been done in the past. The Alliance for Progress or the Panama Canal Treaties were not derivative – nor were the Nafta trade agreement, the first President Bush's initiatives for debt relief and regional trade, or President Clinton's rescue package for Mexico. A Latin America that is genuinely interested in partnership with the U.S. will make it easier for the U.S. to pursue a constructive policy in the region.

# The United States of America seen from Brazil

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*Roberto DaMatta\**

I would like to begin by thanking Ambassador Sergio Amaral for paying me the honor of inviting me to take part in this meeting, and contributing one of the “crossed regards” from Brazil to the United States and back to Brazil, in a genuine exercise of comparison by contrast which is indeed the hallmark of the social science I practice – social anthropology or comparative sociology. It’s an invitation that renews longstanding bonds of friendship and admiration for many of the people on this platform, and it’s a great honor and a great pleasure to be here.

I think I should begin by stating my point of view.

I believe putting Brazil and the United States in parallel (and also in meridian) is an important task. I myself have done this since 1963, when I first visited the United States in an experience that in a very precise sense consolidated an entire perspective of interpretation of Brazilian social life, embodied mainly in my books *Carnivals, Rogues and Heroes* and *A Casa & a Rua* (“The Home & The Street”), as well as my essays and newspaper columns, many of which are collected in my recent book *Tocquevilleanas: Notícias da América* (“Toquevillean Musings: News from America”), published in 2005.

In this book I talked about constellations of values, clusters of social practices and systems of attitudes to life and the world that drew my attention primarily as a Brazilian in the United States, and later, once I had become familiar with American culture and society, as a “cultural mulatto”, a hybrid or a creature endowed with a dual ethic a double-edged mindset. I took an American vantage point to look closely at Brazil and conversely I was inevitably possessed by the Brazilian vantage point in scrutinizing the United States.

I don’t have much time and this is our first meeting, actually an inaugural rite, so let me initially stake out my position more clearly.

What I want to do today is stress two points I regard as critical to any crossed gaze – this way of seeing that leads to a perception of difference and, more than that, to an inkling of how to understand and deal with differences. This is very unusual in a world imbued with Enlightenment or bourgeois universalism, whose optimism about civilization and unlimited progress is only just beginning to be genuinely shaken by the threat of environmental catastrophe, by the limits of the planet, this uninvited guest at a party to celebrate an ideal form of social life grounded in the unremitting exploitation of nature in the

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name of humankind. This universalism assumes that Men (whatever is meant by that exclusive entity, since here we are not speaking of children, the insane, the illiterate or women, let alone indigenous people, who have never read the Universal Declaration of Human Rights) really are equal in substance (rather than in rights and opportunities). Hence the tendency to be surprised and even indignant when certain parts of the world (such as portions of the Arab world) refuse to adopt our values.

From this perspective, speaking about society is an adventure because it obliges us to leave behind the commonplace syndrome represented by the choice between imitating and rejecting the models that have “succeeded”. A dualism typical of areas such as economics, education, politics, industry and technology, where the order of the day is “We must be like them”, i.e. be like the “advanced”, “civilized”, “developed” or “central” countries. Or the exact opposite: neoliberalism contains an ontological error.

It’s easy and desirable to compare literacy rates and distribution of income as indicators of the “quality of life” to be rapidly modified. But it’s far more complicated and certainly impossible to say that a more rewarding and generous social life is necessarily linked to this or that religious belief or to this or that set of laws or ritual practices.

There seems to be no question that modernity, individualism, explicit rules, a rational calculus regarding gains and losses, making money for money’s sake, political egalitarianism, standardization, austerity as a value and Protestantism are all linked – as demonstrated by Max Weber. But it would be absurd to assume that the link was absolute and thus conclude that all countries should undergo a “Protestant Reform” in order to modernize. The case of Japan, as some scholars have insisted (I’m thinking of Robert N. Bellah in *Tokugawa Religion*, Chie Nakane in *Japanese Society* and S.N. Eisenstadt in *Japanese Civilization*), shatters the illusion of an exclusive democratic modernity grounded in the transcendental moral axioms of English Puritanism, Calvin, and a strong dose of French Enlightenment via the Founding Fathers.

One of the difficulties of comparing religious systems is precisely the lack of fixed relations between modes of being – frequently expressed through religious formulas – and worldly values, between ideas about “another world” (thought of as perfect, immutable and just) and “this world” full of injustices, suffering, imperfection and ephemerality.<sup>1</sup> Shinto did not stop Japan from becoming a technological powerhouse.

A disturbing absence of determinism about which we postmoderns feel deeply vulnerable and frustrated stymies any attempt to rank societies on some sort of evolutionary ladder. Thus there is nothing to stop rules that institute the most naked individualism in the best American style (producing implacable competition with its winners and losers) being combined with the malleable

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<sup>1</sup> About this fundamental transitoriness between “this world” and the “other” had already manifested itself, between 1835-40, Alexis de Tocqueville, in his indispensable *Democracy in America*, said: “Leave the human spirit follow its tendency, and it will adjust in a uniform manner to the political society and the divine city; it will search to (...) harmonize the earth with the sky”. As it is known, this opinion is analyzed in Weber’s religious sociology.

and assertive, but never politicized, Brazilian brand of holistic personalism, which produces nepotism and repels universal rules. On one hand, the strict rule of law leading to open conflict; on the other, gradual, more or less painless transitions –you decide.

To suppose that the famous “American way of life” (based on Veblen’s conspicuous consumption and the most absolute absence of reciprocity) is more civilized than a sociability based on giving to receive, in the present and in food, is absurd. Certain international organizations rank nations in terms of indicators for education, health, income, economic productivity etc... but – as noted by Romantics like Johann Gottfried von Herder, and anthropologists of the lineage of Franz Boas and Isaiah Berlin – it would be impossible to say who is most successful in terms of national languages, music, poetry or religion.

Comparing societies is complex, if not incommensurable, since it tends to reach beyond the external terrain of the results of action (which are the raw material for the indices) into modes of feeling and being. In a general and internal sense, every social system is untranslatable and incomparable, because to belong to a collectivity, as Herder said, is a necessity as basic as eating, wearing clothes, and taking shelter. For all these reasons, my terrain is complex, erratic and irregular. The investigation reveals the theme, if not the investigator.

I’ll use the time I have left to talk about something I see as basic in this globalized world, which nonetheless is full of nativist and messianic movements created by the universalization of western modernity. What I mean is the distinctiveness of the multiple collectivities that interweave and criss-cross what we call the United States, Brazil, Russia, India or Argentina.

To speak of “American society” is not the same as to speak of “the United States”. The United States has changed more, it seems to me, that is implied by its underlying image, whose nature is more totalized or holistic, ideological and symbolic: America. We can locate the United States with precision and even try to attack it; as a country it has borders and indices. The America that is part of it is like cats and spirits: hard to see and catch. Yet it can be felt and experienced.

After all, America is the land of hope. The “geo-ideological” point where some European bourgeois dreams came true, vividly and pungently. It is America, I submit, that reduces the United States to a culture, to values and ways of behaving that are unique and for that very reason absolutely equivalent to all others. I submit that this distinction is important because our universalistic, frequently normative perspectivism – driven by economic and/or political analysis, and with the autonomous individual at its center, an individual who is born an adult and knows what to maximize – tends to confuse nation states or countries, which are first and foremost territorialized communities, contained, materialized and often engineered through maps, with societies, languages, religions and cultures.

Nation states are managed by bureaucracies. They have the citizen individual at their political or civic center. And they have a written constitution and a sovereign territory. Societies and cultures are governed by values and coerced by unwritten moralities (implicit ideas seen as natural), with families at their center

and imperative social bonds such as those between the system and God). And they depend neither on territories nor on sovereignty. Two Brazilians having dinner in South Bend, Indiana, actualize Brazilian society. Hundreds of thousands of Brazilians in Miami cannot dream of reconstructing Brazil as a nation state in that location.

Indigenous tribes in the Americas are part of nation states but do not belong to the societies in which they live. When Brazil was a slaveowning nation, slaves were a critical part of Brazilian society but excluded from the Brazilian nation state. Nation states are exclusive and singular; societies and cultures are multifaceted entities. Their relations are complex, intriguing, and unquestionably crucial to an understanding of what we call “progress”, “development” or “modernity”.

Many people are surprised when they discover the number of languages spoken in Mexico and in India (62 in Mexico, 18 in India); while an expert in societies and cultures is impressed by the dumb facility with which people talk about the future of China, as if that community could be reduced to its economy and geopolitics and were not the home of more than half a hundred officially recognized ethnic minorities.

For all these reasons, I believe it is sociologically sagacious to distinguish between the United States and America. The one is the hyper-nation symbolized by the bald eagle clutching in its talons a bundle of 13 arrows (which in turn represent the 13 founding colonies) on the left and, on the right, an olive branch, the classical symbol of peace.<sup>2</sup> The nation state that ever since its inception has had the same constitution and the same currency and has never doubted the effectiveness of its economic system and political institutions – which institutions, it is worth noting en passant, are inseparable from its religious beliefs. The nation that like no other holds economic and military sway over the planet.

Quite another thing is the entity called America, whose best symbol is not so much a set of institutions – liberty, pragmatism, capitalism, utilitarianism, and above all equality – but the practice of these, which invents a unique form of daily life, as noted by Tocqueville, Weber, and many others. The United States has an immigration department that is a police agency, whereas America welcomes everyone with open arms and anyone who works there makes money. They say the United States is owned by the big multinationals; but America is that reality whose owner is the “people”, the “common man”, the John Does of this world, as Frank Capra would say. Albeit linked to the United States, America lives in the here and now of local universes in which everything starts and ends punctually, rulers *should* be criticized, coherence is required in both personal and public life, and the word equality applies to all, especially the “guy next door”. As for crossed gazes, I take the view that the images and representations we Brazilians have of the United States tend to fluctuate between these two dimensions.

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<sup>2</sup> They say that this symbol comes from the fact that the olive groves took longer to bear fruits, which makes it impossible to cultivate them in time of social turbulence such as conflict and war.



I would suggest that the last century was a time when American reality (*A Realidade Americana* is the title, by the way, of a fine appreciation of the United States by a sensitive and learned Brazilian, Alceu Amoroso Lima) came to look more like America than the United States. More like an almost unbelievable experiment in the embodiment of democratic values, such as the houses without walls that he saw as a sign of lack of competition between community life and private life (of a lack of segmentation between home and street, although they do contrast with each other), than a powerful economic system or terrifying machine of war and imperial oppression.

I would say, moreover, that it is the dialogue between America and the United States that lies at the heart of Érico Veríssimo's powerful narrative in *Gato Preto em Campo de Neve* and *A Volta do Gato Preto*, where with the amazement of a Brazilian accustomed to a social life based on inequality and constrained by hierarchical and messianic practices, the writer notices that in the dining car officers wait in line behind privates, and that Nobel Prize winners had a self-service lunch in the university canteen like everyone else. The absence or rather the impossibility of hearing "Você sabe com quem está falando?" ("Do you know who I am?"), which is snobbish or elitist, and the commonplaceness of "Who do you think you are?", which knocks the snob off his or her pedestal – that's part of America. As Tocqueville discovered, it's a ritual of the same lineage as the individual fragility which, in a social universe where genealogies, personal ties and material goods, especially property, do not form "states" or "homes", promotes every kind of association whose hallmark is its egalitarian dynamics. It has a horizontalized bias, in contrast with what happens in unequal societies where everyone looks up or down, never sideways.

But the smell of a black man's burning skin in Waco, Texas, described in Gilberto Freyre's diary, and the white supremacy so incomparably analyzed by Oracy Nogueira, are part of the United States. Racial segregation and the related prejudice are signs of hierarchical exclusivism as a moral and political value, which in an egalitarian environment returns as an uninvited guest. They reveal an attempt to produce compartmentalized equality, a system in which all men are equal but some are more equal than others, as defined by the axiom "equal but separate". Moreover, the legal position of African Americans in the South mirrors how these states "disunited", united among themselves, and were finally bound back into the nation only after a bloody civil war.

In a formula and an exaggeration – for to speak of societies is, as Weber says, to invent models or ideal types – the United States seen from Brazil oscillates between the America of Franklin D. Roosevelt, Capra's movies, Twain's books, Rockwell's paintings, Gershwin's ballads, Hollywood musicals or the heroes of World War Two, and the opulent and powerful United States of George W. Bush that invaded Iraq.

It seems to me that the many extensions of this distinction as well as its dialectics can help us understand and moreover reconcile the modern community engendered by contractual bonds entered into by autonomous and independent individuals (who nonetheless share the same religious and communitarian ideal),



with the implicit ideals that are latent in modernity but arise with real force in collectivities, such as religious and linguistic “families”, formed from practices situated outside the market, citizenship and equality. America is a perfect case of the synthesis or approximation between nation state and society, and its most successful example.

It seems to me that the passage or dialogue between nation state and society and culture; between individualism and holism; between private and collective interests; and between equality and hierarchy are social dimensions that the link between America and the United States allow us to see.