

BARRACK OBAMA AND LATIN AMERICA – COMMON INTERESTS AND OLD MISUNDERSTANDINGS

Frank Priess

The impending change of government in the US gives rise to the question of whether relations between Washington and the Latin American region can be rearranged. Will the southern neighbours of the US continue to have reason to feel like the backyard of the great power to the north, and will the US continue to show no interest in them? According to recent polls, the Latin American countries have hardly any priority in the concept of the US Democrats. After his election, Mr Obama talked to numerous other countries before he called Mr Uribe, Colombia's head of state, in 36th place. And he announced that he intended to defeat his enemies, support his friends, consolidate old alliances, and forge new ones. What does that mean for Latin America?

Peter Hakim, president of the Inter-American Dialogue in Washington, thinks that the new president does not consider Latin America an urgent problem. Observers like Andrés Oppenheimer fear that the half-continent will have to go on waiting for the attention it deserves in view of its actual importance to the USA. Similarly highlighting the growing importance of the southern neighbours to the US, Abraham F. Lowenthal warns that nobody should expect the US government to accord priority to Latin America. Be that as it may, the people in the region expect much of the new man in the White House.

As long as the US election campaign was running, the south watched attentively what was going on in the north. The majority of people in Mexico favoured the Republican candidate, Mr McCain, who supported an integral migration regulation, while Mrs Clinton and Mr Obama rather vaguely endorsed legalizing the status of migrants living in the USA without documents. Not only the National Alliance of Latin American and Caribbean Communities in the USA would now like to remind the winner of the election of his promise, given the major role the Latino vote played in the election outcome and the traditional support of many US Latinos for the Democrats.

The importance of US citizens of Latin American origin is indeed increasing. According to estimates, 29.3 million Mexicans are currently living in the USA, of which eleven million are Mexican citizens and more than six million do not have a residence permit. Especially in Mexico, the image of the northern neighbour is traditionally divided: On the one hand, the USA is the hated enemy; on the other, it is the country many people dream of living and working in.

Because of its NAFTA membership, Mexico plays a special role, although only part of what the country had initially expected of the Northern American Free Trade Area has come true: Thus, the NAFTA agreement certainly helped Mexico to overcome the Tequila crisis in the nineties, but it did not help to reduce the stream of migrants from the south to the north. An unemotional analysis reveals that NAFTA has given a boost especially to the north of Mexico, where an increase in production for the US market generated new jobs not only in the *maquiladora* industry. However, the country must ask itself why it did not use the transition period of the NAFTA agreement to modernize its own unproductive agricultural sector.

Mexico does wish for a reorganization of the NAFTA agreement, but this would mean that the questions discussed would not only be those that have priority for Mexico, for there are other Latin American countries with special interests. Peru and Costa Rica, for instance, have meanwhile come to bilateral arrangements with the USA. A free trade agreement with Chile has been in existence ever since 2004. A treaty project with Colombia, on the other hand, is currently on hold.

Given the global economic crisis, all NAFTA member states would be well advised to remember the as-yet unexploited potential of the agreement. However, all Latin America has good reason to sound out the option of mounting joint projects within the hemisphere. About half of the US energy demand is covered by supplies from the continent. In this context, Mexico, the world's sixth biggest crude-oil exporter, is an attractive supplier. Venezuela still provides the north with oil, receiving in return large amounts of foreign currency – despite all the anti-Yankee rhetoric of Hugo Chávez. And the USA is negotiating with Brazil about the supply of renewable natural resources as energy carriers.

Another example of bilateral benefits is the Mexican-American labour market: the USA profits not only from the Mexican migrants who often work illegally in the agricultural and building sector but also from the close links between its domestic industries on the one hand and Mexican production facilities and cross-border suppliers on the other.

Yet the current position of Latin American forces that are friendly towards market economy and the USA is not easy. Economic recipes from the USA are as untrustworthy as the recommendations of the IMF and the World Bank. Whether this will change partly depends on developments in the emerging countries.

Nowadays, Mexico and Brazil are part of the Outreach 5 and attend the G8 club on a regular basis. Their weight will increase, as will that of India, China, and South Africa. Latin-American actors also play an active part in the

Doha process, with Brazil in the lead, even in front of Mexico, which has so far refused to participate in the Blue Helmet mission in Haiti. However, Mexico might throw a bridge across the fabric of north and south, even though it is not a leading regional power.

During his term of office from 2000 to 2006, Mexico's president, Vicente Fox, believed that the good political situation and his personal relations with George W. Bush might help NAFTA to become a real integration zone. However, Mexico was frustrated when the US president rhetorically disparaged Mexico as a potential gateway for terrorists after the terrorist attacks of 2001. In turn, anti-Mexican feelings came up in the USA in 2003, when Mexico sided with the opponents of the Iraq offensive that was planned by the USA. Mexico would be well advised to define its relations with its northern neighbour not only by the question of migration. Although it is Mexico's primary concern, this subject is not on the line for the USA as it is considered a domestic issue.

Although Washington has been strengthening and expanding the Mexican-American border in the last few years, the composition of the Obama team permits viewing the chances for dialogue with optimism. Janet Napolitano, Mr Obama's newly-appointed chargé for internal security and, thus, for questions of migration and the borders, is known in the USA for proposing an 'integral concept' to solve the migration problem. However, she also warned Mexico to refrain from using the US labour market as a 'safety valve' through illegal migration.

Moreover, Mrs Napolitano and the new leadership in Washington should be interested in a stable Mexico for reasons of their own security. Common interests do exist, especially the war on drugs. Although stepped up significantly, the measures taken to strengthen the borders did not scare off organized crime. Mexico is by now paying a high blood price in its fight against the drug mafia which has, in turn, prompted the US State Department to warn US citizens against travelling to the southern neighbouring country. Mexico should make its fight against the drug trade more effective, especially by reforming the police and the judiciary. The USA, on the other hand, should take steps to reduce drug consumption at home. And, finally, action against arms smuggling and money laundering needs to be taken on both sides of the border.

In all this, it cannot be overlooked that Latin America and the USA are no longer the only players in the region. Especially China and Russia are showing the flag, with the former constantly searching for new sources to cover its energy needs and the latter endeavouring to enhance its geostrategic position. President Medvedev used the APEC summit of Lima to intensify Russia's relations with Latin America. In this context, Brazil plays a special role,

as it is supported by Moscow in its desire for a permanent seat on the UN Security Council. Venezuela, a prominent buyer of Russian arms, also increased its military cooperation with Russia. And last but not least, there is Cuba, the old ally from Soviet times, which Mr Medvedev demonstratively honoured by a visit.

Moreover, Cuba doubtlessly plays a special role in the Latin America policy of the next US president, Barack Obama. It seems quite possible that tensions will ease, as Washington can hardly be interested in the economic collapse of the Caribbean island that is increasingly ravaged by hurricanes, because such a collapse would bestow a new massive wave of refugees on the USA. And to the surprise of many, even Raúl Castro gave to understand that he desires to meet Mr Obama, albeit on neutral ground. Does that mean that old reservations are beginning to totter? By itself, this new symbolism gives rise to hope.

IN: *Auslandsinformationen* 12/2008, ISSN 0177-7521, Konrad-Adenauer-Stiftung e.V., Berlin, p.98-101