

REMAKING THE RELATIONSHIP

The United States and Latin America

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The Inter-American Dialogue is the leading US center for policy analysis, exchange, and communication on issues in Western Hemisphere affairs. The Dialogue brings together public and private leaders from across the Americas to address hemispheric problems and opportunities. Together they seek to build cooperation among Western Hemisphere nations and advance a regional agenda of democratic governance, social equity, and economic growth.

The Dialogue's select membership of 100 distinguished citizens from throughout the Americas includes political, business, academic, media, and other nongovernmental leaders. Fourteen Dialogue members served as presidents of their countries and more than two dozen have served at the cabinet level.

Dialogue activities are directed to generating new policy ideas and practical proposals for action, and getting these ideas and proposals to government and private decision makers. The Dialogue also offers diverse Latin American and Caribbean voices access to U.S. policy discussions. Based in Washington, the Dialogue conducts its work throughout the hemisphere. A majority of our Board of Directors are from Latin American and Caribbean nations, as are more than half of the Dialogue's members and participants in our other leadership networks and task forces.

Since 1982—through successive Republican and Democratic administrations and many changes of leadership elsewhere in the hemisphere—the Dialogue has helped shape the agenda of issues and choices in inter-American relations.

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A Report of the Sol M. Linowitz Forum
Inter-American Dialogue 2012

FOREWORD

Relations between the United States and Latin America are at a curious juncture. In the past decade, most Latin American countries have made enormous progress in managing their economies and reducing inequality and, especially, poverty, within a democratic framework. These critical changes have brought greater autonomy, expanded global links, and growing self-confidence. It is now the United States that is in a sour mood, struggling with a still weak economic recovery, diminished international stature and influence, and fractured politics at home.

These recent changes have profoundly affected Inter-American relations. While relations are today cordial and largely free of the antagonisms of the past, they also seem without vigor and purpose. Effective cooperation in the Americas, whether to deal with urgent problems or to take advantage of new opportunities, has been disappointing.

The Inter-American Dialogue's report is a call to all nations of the hemisphere to take stock, to rebuild cooperation, and to reshape relations in a new direction. All governments in the hemisphere should be more attentive to emerging opportunities for fruitful collaboration on global and regional issues ranging across economic integration, energy security, protection of democracy, and climate change. The United States must regain its credibility in the region by dealing seriously with an unfinished agenda of problems—including immigration, drugs, and Cuba—that stands in the way of a real partnership. To do so, it needs the help of Latin America and the Caribbean.

If the current state of affairs continues, the strain between the United States and Latin America could worsen, adversely affecting the interests and well-being of all in the hemisphere. There is a great deal at stake. This report offers a realistic assessment of the relationship within a changing regional and global context and sets out an agenda of old and new business that need urgent attention. A collaborative effort should begin immediately at the sixth Summit of the Americas in Cartagena, Colombia.

The Dialogue is a genuinely inter-American, non-partisan group. It is led by two co-chairs: former president of Chile Michelle Bachelet and Ambassador

Carla A. Hills, who served as US trade representative. About one-half of our 100 members are from the United States. The rest are from Canada and 21 nations of Latin America and the Caribbean. Our membership is politically diverse. We include Republicans and Democrats from the United States and supporters of a wide spectrum of parties and political perspectives from elsewhere in the Americas. All of us, however, share a commitment to democratic politics, economic and social progress, and greater cooperation in inter-American relations.

This report reflects the views of the Dialogue's membership, which meets once every two years at the Sol M. Linowitz Forum. Although not every member agrees with every statement or recommendation in the text, most of them endorse the report's content and tone and its principal recommendations. Dialogue members participate as individuals; institutional affiliations are for purposes of identification only. We are grateful for the financial support we receive from foundations, governments, corporations, international organizations, and individual donors.

Michael Shifter

President

April 2012

REMAKING THE RELATIONSHIP

The United States and Latin America

By most historical measures, changes over the last half dozen years in the Western Hemisphere—in Latin America, the Caribbean, the United States, and Canada—have been far-reaching. Some of the changes, including sustained economic growth and reduction in poverty and inequality in many Latin American countries, have been favorable. Others, such as the spread of criminal violence that poses a risk for democracy in some nations, have been deeply troubling. Still others, such as the emergence of several new regional organizations, are in early stages of development. Their long-term significance is uncertain.

All these changes taken together are transforming the nations of the hemisphere—and their relations with one another.

What is at stake is the future of inter-American relations, which today are generally cordial but lack vigor and purpose. Efforts at hemispheric integration have been disappointing. Effective cooperation in the Americas—even on widely shared problems like energy security, organized crime and the drug trade, and international economic volatility—remains limited and sporadic.

It is the good news of Latin America's progress that has most altered hemispheric relations. In the past decade, the region has posted its best economic performance in a generation and managed largely to sidestep the world financial crisis in 2008–2009. The ranks of the middle classes have swelled.

The region's political structures have also opened up, giving way to growing participation by women, indigenous and Afro-descendant populations, and other once-excluded groups. All Latin Americans across a broadening spectrum have greater access to education and health services, consumer goods, and foreign travel. They now have real and rapidly expanding stakes in their societies.

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These advances have also led to new social stirrings which, along with demands and expectations, are notably on the rise. There are more and more pressures for further change and improvements.

Impressive economic, political, and social progress at home has, in turn, given Brazil, Mexico, Chile, Colombia, Peru, and many other countries greater access to worldwide opportunities. Indeed, the region's most salient transformation may be its increasingly global connections and widening international relationships.

Brazil's dramatic rise on the world stage most visibly exemplifies the shift. But other countries, too, are participating actively in global affairs and developing extensive networks of commercial and political ties. China is an increasingly prominent economic actor, but India and other Asian countries are intensifying their ties to the region as well.

The United States has also changed markedly, in ways that many find worrisome. The 2008 financial crisis revealed serious misalignments in and poor management of the US economy—which, four years later, is still struggling to recover. Inequality has significantly widened in the United States, while much-needed improvements in education and infrastructure are ignored.

The most ominous change in the United States has taken place in the political realm. Politics have become less collaborative. It is increasingly difficult to find common ground on which to build solutions to the critical problems on the policy agenda. Compromise, the hallmark of democratic governance, has become an ebbing art, replaced by gridlock and inaction on challenges that would advance US national interests and well-being.

In part as a result of these shifts, US-Latin American relations have grown more distant. The quality and intensity of ties have diminished. Most countries of the region view the United States as less and less relevant to their needs—and with declining capacity to propose and carry out strategies to deal with the issues that most concern them.

In the main, hemispheric relations are amicable. Open conflict is rare and, happily, the sharp antagonisms that marred relations in the past have subsided. But the US-Latin America relationship would profit from more vitality and direction. Shared interests are not pursued as vigorously as they should be, and opportunities for more fruitful engagement are being missed. Well-developed ideas for reversing these disappointing trends are scarce.

Some enduring problems stand squarely in the way of partnership and effective cooperation. The inability of Washington to reform its broken immigration system is a constant source of friction between the United States and nearly every other country in the Americas. Yet US officials rarely refer to immigration as a foreign policy issue. Domestic policy debates on this issue disregard the United States' hemispheric agenda as well as the interests of other nations.

Another chronic irritant is US drug policy, which most Latin Americans now believe makes their drug and crime problems worse. Secretary of State Hillary Clinton, while visiting Mexico, acknowledged that US anti-drug programs have not worked. Yet, despite growing calls and pressure from the region, the United States has shown little interest in exploring alternative approaches.

Similarly, Washington's more than half-century embargo on Cuba, as well as other elements of United States' Cuba policy, is strongly opposed by all other countries in the hemisphere. Indeed, the US position on these troublesome issues—immigration, drug policy, and Cuba—has set Washington against the consensus view of the hemisphere's other 34 governments. These issues stand as obstacles to further cooperation in the Americas. The United States and the nations of Latin America and the Caribbean need to resolve them in order to build more productive partnerships.

There are compelling reasons for the United States and Latin America to pursue more robust ties.

Every country in the Americas would benefit from strengthened and expanded economic relations, with improved access to each other's markets, investment capital, and energy resources. Even with its current economic problems, the United States' \$16-trillion economy is a vital market and source of capital (including remittances) and technology for Latin America, and it could contribute more to the region's economic performance. For its part, Latin America's rising economies will inevitably become more and more crucial to the United States' economic future.

The United States and many nations of Latin America and the Caribbean would also gain a great deal by more cooperation on such global matters as climate change, nuclear non-proliferation, and democracy and human rights. With a rapidly expanding US Hispanic population of more than 50 million, the cultural and demographic integration of the United States and Latin America is proceeding at an accelerating pace, setting a firmer basis for hemispheric partnership.

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Despite the multiple opportunities and potential benefits, relations between the United States and Latin America remain disappointing. If new opportunities are not seized, relations will likely continue to drift apart. The longer the current situation persists, the harder it will be to reverse course and rebuild vigorous cooperation. Hemispheric affairs require urgent attention—both from the United States and from Latin America and the Caribbean.

A HEMISPHERE TRANSFORMED

Seven changes have strongly shaped hemispheric relations in the past several years:

- **Brazil's Rise**—Brazil is now Latin America's dominant economic power. Its influence in regional affairs, especially in South America, rivals that of the United States. Its economy, the world's sixth largest, coupled with effective political leadership and assertive and skilled diplomacy, underpins the country's expanding global role. Brazil, one of the BRICS (along with Russia, India, China, and South Africa), has made clear its aspiration for a permanent seat on the United Nations Security Council and is considered one of the two or three leading candidates.

Although the United States and Brazil disagree on some critical regional and global issues—and have openly clashed in a few instances—their relationship is largely cordial and non-conflictive. Both regularly call for deeper and more extensive bilateral cooperation, although both also seem leery about taking the required initiative.

- **Mexico's Challenge**—There is no consensus in Mexico about whether the nation should seek a broader regional or global role. Some argue that Mexico's main challenges are on the home front, among them the need to bolster economic performance, bring the country's violence under control, and better meet the needs of citizens. But others contend that Mexico, with its 100 million-plus population and economic heft, will miss critical opportunities if it fails to take a more active part in hemispheric and international affairs.

In recent years, the Mexican government has focused more on internal problems, particularly the spread of criminal violence, which has taken a huge human toll with an estimated 50,000 people killed since 2006. The Mexican economy, now recovered and performing well, was hard hit by the global downturn (in part because of its deep connections to the United States), and oil production, responsible for a significant share of the nation's exports and fiscal revenue, has steadily declined in the

past few years. Although Mexico is projected to become the world's fifth leading economy by 2050 (right behind fourth place Brazil), its outlook is uncertain.

Because of their geographic proximity and interwoven economies, the United States and Mexico have cooperated extensively on many issues. But relations are clouded as these two neighbors remain at loggerheads over aspects of immigration, drug policy, and the flow of illegal arms and money—even as they work together on these and other issues.

- **Overall Progress**—Most Latin American and Caribbean nations have achieved broad economic and social advances in recent years. Improved fiscal management, combined with innovative social policies, has given them a decade of solid growth. The dragon of inflation has been slain across most of the region. Commerce and investment within the region have increased, and Latin American companies, the *multilatinas*, are expanding their presence globally. In country after country, the middle class has expanded (exceeding 50 percent in a growing number of them), and levels of inequality and, especially, poverty, are shrinking. The World Bank now classifies most countries in the region as middle income or upper middle income.

Two key questions stand out. Can the region's social and economic progress, fueled by a burgeoning demand for commodities, be sustained at the healthy pace of recent years? And will the region's governments take advantage of the favorable circumstances to pursue long-pending institutional reforms in such areas as taxation, education, infrastructure development, justice, and security? All of these are needed to enhance the region's relatively low productivity and competitiveness. And it is important to recall that not every country has enjoyed progress. Two years after its devastating earthquake, Haiti still struggles to rebuild.

- **Pragmatic Politics**—Most Latin American countries are turning toward centrist, pragmatic politics that are directed at economic growth, social progress, and democratic governance. Ideology has not disappeared—and it is still important in some countries—but it drives politics in only a very few nations where global alignments have an ideological cast. To be sure, politics across the region remain competitive and highly contentious, and partisan battles are waged on the full spectrum of issues. But, for most countries, the emphasis in recent years has been on finding practical solutions to the problems at hand. The shift may reflect the region's economic gains and the expansion of middle class voters.

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- **New Forms of Regionalism**—Latin America and the Caribbean have formed several new regional groupings in recent years. It is hard to know whether these groupings will assume increasing importance, take root, and become permanent features of the inter-American institutional landscape. They do, in any case, clearly reflect the shifting dynamics of hemispheric relations. UNASUR (Union of South American Nations) and CELAC (Community of Latin American and Caribbean Nations), the most significant of the new organizations, have tellingly excluded the United States and Canada. However, unlike Venezuela-led ALBA (Bolivarian Alliance for the Americas), which is on the wane, UNASUR and CELAC do not actively seek to curtail US influence. For the most part, they are instruments aimed at building cooperation within the region.

US policy officials have largely accepted these groupings as a measure of Latin America's increasing independence and confidence and its growing global presence. Concerns, however, have been raised about the potential weakening of more established hemispheric arrangements, such as the OAS (Organization of American States) and the Summit of the Americas, in which the United States and Canada participate. Overall, the emerging inter-American policy landscape could lead to a more distant and less engaged United States.

- **Citizen Insecurity**—Latin America is as violent as any region in the world, even war-ravaged Africa. Few countries have made much headway in containing the surge of criminal violence. In most places, as many polls show, improved security is the public's major concern. The situation in the "northern triangle" countries of Central America—Guatemala, Honduras, and El Salvador—is particularly alarming. There, homicide rates have skyrocketed and unchecked brutality is growing. Democratic institutions, the rule of law, and economic and social progress are all at risk. The Caribbean countries have also been severely affected and could face worsening conditions. Latin Americans of all political stripes point fingers at the United States for its failure to curtail its huge demand for drugs, which bankrolls criminal gangs. They also call on the United States to do more to control the southward flow of arms and illicit cash and to reform its policies on immigration and deportations, which aggravate problems of crime and violence.
- **US Reversals**—Over the last decade, the United States has suffered important setbacks in its regional and global standing. It has waged draining wars in Iraq and Afghanistan. It has suffered the 2008 financial crisis brought on by a lack of fiscal discipline and poor economic management. It has seen a widening gap between its rich and its poor and

more acute social problems. The country's politics have become increasingly dysfunctional, making it harder to develop sensible and effective foreign policies except in situations of great urgency.

Taken together, these developments have serious implications for US-Latin American relations. There are ample opportunities for deeper engagement and more productive cooperation but, before moving to anything resembling a genuine partnership, it will be necessary to deal more effectively with the long-standing challenges on the inter-American agenda. That is the only way the United States will be able to establish full trust and credibility.

Agenda for a New Relationship

An end to the current distancing and distraction in US-Latin American relations will require Washington and other governments in the hemisphere to refocus and deal more effectively with an array of difficult issues. Three long unresolved problems that cause strain and frustration in inter-American affairs—immigration, drugs, and Cuba—demand especially urgent attention. Three other issues—economics and energy, democratic governance, and global and regional cooperation—stand out as opportunities for broader coordination among all nations of the hemisphere. To be sure, the nature and relevance of these challenges vary from country to country. In an increasingly differentiated hemisphere, it is risky to refer in general terms to relations between the United States and Latin America.

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THE UNFINISHED AGENDA

Immigration

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Washington's failure to repair the United States' broken immigration system is breeding resentment across the region, nowhere more so than in the principal points of origin and transit: Mexico, Central America, and the Caribbean. Latin Americans find the idea of building a wall on the US-Mexico border particularly offensive.

Despite bitter political battles over immigration in the United States, there is general agreement about what sensible reform would include. It combines effective border and employer enforcement, the adoption of a general worker program consistent with labor market needs in the United States, and a path toward residence and citizenship for the estimated 12 million unauthorized residents living in the country. This package is similar to the reform effort (unfortunately defeated in Congress) proposed under President George W. Bush.

The complicated and divisive politics of the United States, compounded by the weakness of the US economy, have so far blocked this comprehensive approach. But more limited measures such as the Dream Act, allowing children brought to the United States without appropriate documentation an opportunity to qualify for citizenship, would not only be welcomed in US Latino communities and in Latin America, but it would demonstrate that the issue is being taken seriously and with a measure of compassion in Washington.

Sensible US immigration policies promise to benefit the US economy. Migrants make up a significant percentage of younger workers. Their presence would improve the labor demographic and increase the US capacity for economic growth even while their contributions help sustain the US social security system. Immigration reform would also recognize the growing "Latinoamericanization" of the United States. Roughly one sixth of the population is currently of Latino descent. The cultural, demographic and family ties of those 50 million people will continue to deepen. The United States' inability to respond to the policy challenge of immigration will have increasingly negative consequences, standing in the way of a more productive relationship with Latin America.

But Latin American governments have to do their part as well. They should make the investments and reforms needed to spur economic development, reduce poverty, and expand job opportunities, particularly in those areas

of their countries that are experiencing the highest rates of out-migration. National immigration policies within the region should be consistent with the ethical standards that Latin Americans demand of the United States in its treatment of immigrants.

In the last several years, there have been signs of an important shift in patterns of migration to the United States. Immigration from Mexico has leveled off, in part the result of a relatively weak job market in the United States, coupled with Mexico's improving economic performance. The most germane trend may be demographic: Mexico's birth rates have stabilized at low levels, which means population growth is quickly tapering off and pressures for migration are declining. These developments should lead US policy officials to revise their views. The United States should feel less threatened by and more welcoming of Mexican migrants, who make up roughly 30 percent of all immigrants entering the United States.

Drugs/Crime

In the spirit of "shared responsibility," often invoked by senior US policy officials, it is critical that the US government respond to increasing calls from Latin American leaders for a serious review of drug policy. As the Latin American Commission on Drugs and Democracy made clear, current measures addressing the drug problem are not working and alternatives need to be considered. That commission, led by three highly regarded former Latin American presidents—Fernando Henrique Cardoso of Brazil, Ernesto Zedillo of Mexico, and César Gaviria of Colombia—rightly emphasized that drug problems and their contributions to criminal violence and widespread corruption threaten the rule of law in a number of countries. The commission's recommendations—including the decriminalization of marijuana, greater emphasis on drugs as a public health problem, and increased support for harm reduction—should be taken seriously and should serve as a starting point for an honest US-Latin American dialogue on the drug question.

More serious attention and resources directed at reducing consumption in the United States are essential. Since the commission's report in 2009, even some sitting Latin American presidents, including Mexico's Felipe Calderón, Colombia's Juan Manuel Santos, and Guatemala's Otto Pérez Molina, have called for collective pursuit of new drug policy options, including consideration of legalization. Although there is debate about the merits of alternative policies—and political obstacles in the region and, particularly, in the United States, remain strong—a serious discussion is urgently needed about how to be more effective in dealing with the drug problem.

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This sense of urgency is underscored by the alarming crime statistics reported in the region. According to the United Nations, Latin America has the highest rate of homicides per capita of any region in the world. Although the causes are many, the narcotics trade is a key contributor.

A correlated problem is the flow of dangerous arms southward from the United States. According to credible reports, these weapons are used in the bulk of murders committed in Mexico. There are political hurdles in the United States to more effective control of such arms flows, but more can and should be done—without infringing on the right to bear arms—at both the federal and state levels. For example, there could be more extensive background checks and tougher penalties for states that do not comply. President Barack Obama’s July 11, 2011, executive order, which tightened reporting requirements on individuals purchasing multiple dangerous weapons and cracked down on straw buyers, was a welcome step.

The United States should also be more vigorous in sharing information about criminals repatriated to the region and more supportive of national efforts at rehabilitation and reintegration of returned migrants. Returning migrants with criminal records have aggravated an already serious security situation in such countries as Guatemala, Honduras, and El Salvador. The United States should provide the critical information that national and local law enforcement agencies need to understand the dangers represented by each deportee so they can mitigate the risks.

Extensive cooperation between the region and the United States on a range of law enforcement-related issues is fundamental. Witness, judge and prosecutor protection as well as improved training and investigative techniques could benefit from US assistance and expertise. The United States should also encourage the expansion of such instruments as the United Nation’s International Commission against Impunity in Guatemala (CICIG), which supports the country’s justice system in tackling high-profile cases, promotes legislative reforms, and shores up institutional capacity.

For such cooperation to be effective, it will be important for the nations of the region to strengthen their commitment to institutional, democratic reforms and adherence to the rule of law. Governments, the private sector, and civil society groups need to assume greater responsibility in dealing squarely with underlying domestic challenges like weak judiciaries, inadequate taxation, and failing schools. Without a real partnership, any effort would have limited success.

Cuba

Policy towards Cuba has long divided the United States from the rest of the hemisphere. There is a consensus among the other nations of the hemisphere that Washington's 50-year-old embargo has not worked and, in fact, may have been counterproductive, prolonging Cuba's repressive rule rather than ending it. Greater engagement with Cuba and more openness to easing US restrictions on the island are essential. At the same time, as outlined below, Cuba's failure to pursue political reform and adopt more democratic measures also needs to be addressed.

LOOKING AHEAD

Economics/Energy

Expanded trade, investment, and energy cooperation offer the greatest promise for robust US-Latin American relations. Independent of government policies, these areas have seen tremendous growth and development, driven chiefly by the private sector. The US government needs to better appreciate the rising importance of Latin America—with its expanding markets for US exports, burgeoning opportunities for US investments, enormous reserves of energy and minerals, and continuing supply of needed labor—for the longer term performance of the US economy.

With Brazil and many other Latin American economies thriving and showing promise for sustained rapid growth and rising incomes, the search for economic opportunities has become the main force shaping relationships in the hemisphere. Intensive economic engagement by the United States may be the best foundation for wider partnerships across many issues as well as the best way to energize currently listless US relations with the region.

What Latin America's largely middle and upper middle income countries—and their increasingly middle class populations—most want and need from the United States is access to its \$16-trillion-a-year economy, which is more than three times the region's economies combined. Most Latin American nations experienced quicker recovery from the financial crisis than did the United States, and they are growing at a faster pace. Nonetheless, they depend on US capital for investment, US markets for their exports, and US technology and managerial innovation to lift productivity. They also rely on the steady remittances from their citizens in the United States.

The United States currently buys about 40 percent of Latin America's exports and an even higher percentage of its manufactured products. It

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remains the first or second commercial partner for nearly every country in the region. And it provides nearly 40 percent of foreign investment and upwards of 90 percent of the \$60 billion or so in remittance income that goes to Latin America.

US economic preeminence in Latin America has, however, waned in recent years. Just a decade ago, 55 percent of the region's imports originated in the United States. Today, the United States supplies less than one-third of Latin America's imports. China and Europe have made huge inroads. China's share of trade in Brazil, Chile, and Peru has surpassed that of the United States; it is a close second in Argentina and Colombia. Furthermore, Latin American nations now trade much more among themselves. Argentina, for example, may soon replace the United States as Brazil's second largest trading partner, just behind China.

Still, these changes must be put in perspective. Even as the US share of the Latin American market has diminished, its exports to the region have been rising at an impressive pace. They have more than doubled since 2000, growing an average of nearly 9 percent a year, 2 percent higher than US exports worldwide. US trade should expand even faster in the coming period as Latin America's growth continues to be strong. But the United States will have to work harder and harder to compete for the region's markets and resources.

While Latin America has been diversifying its international economic ties, the region's expanding economies have become more critical to US economic growth and stability. Today the United States exports more to Latin America than it does to Europe; twice as much to Mexico than it does to China; and more to Chile and Colombia than it does to Russia.

Even a cursory examination of the numbers points to how much the United States depends on the region for oil and minerals. Latin America accounts for a third of US oil imports. Mexico is the second-biggest supplier after Canada. Venezuela, Brazil, and Colombia sit among the top dozen, and imports from Brazil are poised to rise sharply with its recent offshore discoveries. Within a decade, Brazil and Mexico may be two of the three largest suppliers of oil to the United States. The potential for heightened energy cooperation in the Americas is huge, with wide-ranging ramifications for economic well-being and climate change.

Latin America is an important destination for US direct and portfolio investments, absorbing each year about eight percent of all US overseas investment. At the same time, Latin American investment in the United States is growing fast. And no economic calculus should omit the vital value to the US

economy of immigrant workers; US agriculture and construction industries are heavily dependent on them. These workers, mostly from Latin America, will drive the bulk of US labor force growth in the next decade and are important elements in keeping social security solvent over the longer term.

Despite the growing competition for Latin America's markets and resources, the United States retains some powerful advantages in Latin America, notably geographic proximity, a dense web of commercial connections, and a large Latino population. Nonetheless, it has to be more forward looking and strategic than in recent years, at the same time demonstrating that it is a dependable business partner.

Congressional approval of the free trade agreements with Colombia and Panama, ending long delays for both, should be viewed as a start in that direction. Another critical step for the United States would be to ease its long-standing protection of agriculture through tariffs, subsidies, and quotas. These protectionist measures lock many of Latin America's producers out of the US market and are the source of myriad disputes with Brazil and other Latin American governments.

Current sky-high prices on food and fuel, coupled with intense budget-cutting pressure in Washington, provide an unusual opportunity to make progress in this area. Allowing tariffs on imported ethanol and subsidies to US producers to expire was an important step. Reducing agricultural protections could also facilitate US-Brazilian cooperation to advance currently gridlocked global trade negotiations and increase their prospects for success.

Still another advance could come through US immigration reform. By better aligning the supply and demand for workers in critical industries and opening new opportunities for millions of currently unauthorized residents, a more pragmatic migration policy would significantly bolster the US economy. No other single policy measure would more clearly demonstrate US commitment to cooperation with Latin America. The comprehensive reform advocated by both the George W. Bush and the Obama administrations represents the best approach. More modest changes, however, could still be helpful.

Rather than just responding issue by issue, Washington should seek a broader framework for US economic relations with Latin America. While some believe the Free Trade Area of the Americas (FTAA) should be revived, not abandoned, others argue for pursuit of new approaches to economic integration. The FTAA dominated thinking about hemispheric economic arrangements for nearly a dozen years, but lost credibility when neither the United States nor Brazil showed much commitment to finding common ground.

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The Trans-Pacific Partnership (TPP) illustrates how the United States can deeply engage with nations intent on becoming more important global players. Chile and Peru already form part of this promising arrangement for trade liberalization; Mexico, Canada, and others are interested in joining the effort. In addition, Mexico, Chile, and Peru belong to APEC (Asian Pacific Economic Cooperation), and Colombia hopes to become a member. Clearly, many Latin American countries are looking to expand economic ties with Asia. The United States should support that agenda as it turns its attention to the Pacific.

The Obama administration should explore, with Brazil and other Latin American countries, other ways to achieve longer-term economic cooperation in the hemisphere. Despite some policy differences among Latin American governments, economic management has converged across the region and could eventually facilitate integration among Latin America's economies—and potentially with the United States and Canada. A new hemispheric economic strategy would not only bolster the US and Latin American economies, but it could also infuse US foreign policy in the Americas with the direction and energy that is currently lacking and help reinvigorate US relations with the region.

In an increasingly competitive and hazardous world, a flourishing Latin America provides the United States with the best opportunity it has anywhere to build firm economic partnerships.

Democratic Governance

The democratic outlook in the Americas is on balance positive, particularly when compared with previous periods and to the rest of the world. Free, competitive elections are regularly held and, happily, the massive human rights violations associated with earlier periods of authoritarian rule have passed.

Nonetheless, there are fundamental challenges that, if unaddressed, could spread and become far more serious. These problems need to be dealt with collectively through established regional mechanisms. Among these is the defense of democracy, an important area for greater cooperation among the United States, Canada, and Latin America.

Today, threats to democratic rule from the actions of the military, as occurred in the June 2009 coup in Honduras, are rare. More commonly,

elected executives, once in office, centralize power and assume increasing control of critical institutions, public and private. Checks on presidential authority are, thereby, weakened or eliminated.

Governments in Venezuela, Nicaragua, and Ecuador have all followed this pattern, undermining press freedom and other basic rights. Although the Inter-American Democratic Charter calls for collective action to prevent and repair such transgressions, they have, in fact, been met with relative silence. Indeed, the charter has rarely been invoked. This inaction stems from the lack of consensus in the hemisphere about what constitutes violations of democratic principles and how best to respond to them. The charter should be reformed to establish mechanisms for redress when elected executives run roughshod over independent institutions.

Although unlikely to be accomplished in the near future, the long-term goal of the United States and other hemispheric governments should be agreement on collective actions to hold nations to the standards of the charter. The United States and Canada cannot be effective if they are the only voices calling for action to defend democracy and enforce the charter. The United States should pursue a longer-term strategy of consulting and finding common ground with Latin American and Caribbean governments on the appropriate use of the charter, which should play an important role in hemispheric affairs.

Cuba, too, poses a significant challenge for relations between the United States and Latin America. The 50-year-old US embargo against Cuba is rightly criticized throughout the hemisphere as a failed and punitive instrument. It has long been a strain on US-Latin American relations. Although the United States has recently moved in the right direction and taken steps to relax restrictions on travel to Cuba, Washington needs to do far more to dismantle its severe, outdated constraints on normalized relations with Cuba. Cuba is one of the residual issues that most obstructs more effective US-Latin American engagement.

At the same time, Cuba's authoritarian regime should be of utmost concern to all countries in the Americas. At present, it is the only country without free, multi-party elections, and its government fully controls the press. Latin American and Caribbean nations could be instrumental in supporting Cuba's eventual transition to democratic rule. An end to the US policy of isolating Cuba, without setting aside US concern about human rights violations, would be an important first step.

The Democratic Charter should be reformed to establish mechanisms for redress when elected executives run roughshod over independent institutions.

REGIONAL AND GLOBAL COOPERATION

Many of the issues on the hemispheric agenda carry critical global dimensions. Because of this, the United States should seek greater cooperation and consultation with Brazil, Mexico, and other countries of the region in world forums addressing shared interests.

As the world's lone nuclear-weapons-free region, Latin America has the opportunity to participate more actively in non-proliferation efforts.

Brazil has the broadest international presence and influence of any Latin American nation. In recent years it has become far more active on global issues of concern to the United States. The United States and Brazil have clashed over such issues as Iran's nuclear program, non-proliferation, and the Middle East uprisings, but they have cooperated when their interests converged, such as in the World Trade Organization and the G-20 (Mexico, Argentina, and Canada also participate in the G-20), and in efforts to rebuild and provide security for Haiti. Washington has worked with Brazil and other Latin American countries to raise the profile of emerging economies in various international financial agencies, including the World Bank and the International Monetary Fund.

In addition to economic and financial matters, Brazil and other Latin American nations are assuming enhanced roles on an array of global political, environmental, and security issues. Several for which US and Latin American cooperation could become increasingly important include:

- As the world's lone nuclear-weapons-free region, Latin America has the opportunity to participate more actively in non-proliferation efforts. Although US and Latin American interests do not always converge on non-proliferation questions, they align on some related goals. For example, the main proliferation challenges today are found in developing and unstable parts of the world, as well as in the leakage—or transfer of nuclear materials—to terrorists. In that context, south-south connections are crucial. Brazil could play a pivotal role.
- Many countries in the region give priority to climate change challenges. This may position them as a voice in international debates on this topic. The importance of the Amazon basin to worldwide climate concerns gives Brazil and five other South American nations a special role to play. Mexico already has assumed a prominent position on climate change and is active in global policy debates. Brazil organized the first-ever global environmental meeting in 1992 and, this year, will host Rio+20. Mexico hosted the second international meeting on climate change in Cancún in 2010. The United States is handicapped by its inability to devise a climate change policy. Still, it should support coordination on the presumption of shared interests on a critical policy challenge.

- Latin Americans are taking more active leadership on drug policy in the hemisphere and could become increasingly influential in global discussions of drug strategies. Although the United States and Latin America are often at odds on drug policy, they have mutual interests and goals that should allow consultation and collaboration on a new, more effective approach to the problem.

Even as Latin America expands its global reach and presence, it is important that the United States and the region increase their attention to reshaping regional institutions to better align them with current realities and challenges and to make them more effective. The hemisphere's institutional architecture is in great flux, and there is growing need for decisions about priorities and objectives.

The Organization of American States, the world's oldest regional institution, has come under enormous stress as a result of the rapidly shifting political and economic context of hemispheric relations. It is still the region's main political organization, with legitimacy to work across a spectrum of issues, but it is badly in need of institutional reform, perhaps even a re-launching. For all its problems, the OAS has a singular capacity to take on critical issues, including human rights, press freedom, and democracy, that other, newer multilateral mechanisms seem years away from being able to handle adequately. New groupings—like UNASUR and CELAC—may have key roles to fulfill, but no institution can yet match the normative frameworks developed over decades in the OAS.

Regional organizations focused on finance and development have emerged from the transformations stronger than their political counterparts. This may be because there is greater consensus on economic management than political questions. The Inter-American Development Bank (IDB) has gone through a difficult reform process, while the CAF—Development Bank of Latin America, with only Latin American members, has expanded considerably in recent years and extended its lending throughout the region. Although not strictly a regional institution, Brazil's National Development Bank has sharply increased its funding outside Brazil, chiefly to support foreign investments by Brazilian companies on infrastructure and energy projects in neighboring countries.

It is encouraging how constructively Washington has responded to Latin America's growing independence and greater assertiveness in regional and global affairs. It has readily accommodated the hemisphere's emerging institutional landscape even though that includes new regional groupings

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Latin America is more and more connected globally, and politics, economies, and social conditions have improved in most of its countries, dramatically in some.

from which the United States is excluded. Less encouraging, but indicative of its shrinking political and diplomatic profile in the region, is the reduced US commitment to and active engagement in some regional arrangements to which it does belong, among them the OAS and the Summit of the Americas. As the OAS goes through a troubled period, it must have stronger engagement from member governments, including effective involvement by the United States, in order to regain a central role in inter-American affairs.

REDEFINING HEMISPHERIC RELATIONS

The Western Hemisphere today is dramatically different from what it was even a few years ago. And the changes appear to be accelerating. Latin America is more and more connected globally, and politics, economies, and social conditions have improved in most of its countries, dramatically in some. The direction of policy in the United States, meanwhile, has become uncertain; some policy moves suggest a significantly reduced US role in both regional and global affairs.

Although Latin America suffered through years of political and economic instability, its encouraging trends appear likely to be sustained. With some notable exceptions, democratic rule and a markedly pragmatic approach to governance now seem rooted across the region. Concern about the future hinges less on whether some semblance of democracy will prevail than on the quality of the region's democracies. Clearly governance has deteriorated in some countries, while in others it has failed to deal effectively with such challenges as crime and violence or massive inequalities. Still, it is hard to imagine sweeping rollbacks in democracy like those of the past.

Deficiencies continue to plague Latin America's economic prospects, including low productivity, weak tax systems, poor infrastructure, and inadequate education and health services. Together, these problems could make it difficult for the region to sustain the growth rates it achieved in the past 10 years. But vast improvements in economic management and financial institutions throughout the region may have ended the boom-and-bust cycles that once characterized Latin America. Steady growth is now a plausible scenario, even if not at the levels to which most countries aspire.

Moreover, Latin America's attention to the problems of poverty, inequality, and social exclusion is likely to continue. The region's democratic governments can no longer turn their backs on the needs of ordinary citizens. The growing demands of an expanding middle class help to assure that.

Nor are there signs that the region is likely to turn inward. Latin America's economic and diplomatic ties have multiplied across the globe. Countries have diversified their foreign relations and trading patterns. To be sure, there is a small but worrisome wave of protectionism in Latin America today. Many countries are concerned about the health of their industries in the face of the global economic downturn and the appreciation of their currencies. Still, the nations of the region have too much at stake to retreat from global connections. Most Latin American nations value active participation in world affairs.

The dramatic changes that have made Latin America's countries wealthier, as well as more confident, assertive, and independent, account in part for the diminished role and influence of the United States in the region. So, too, have the problems confronting the United States: the huge economic setback from which it is only gradually recovering; its large and growing inequality of wealth, income, and education; the decline of its physical infrastructure; and Washington's dysfunctional politics.

But the attenuated relationship between the United States and Latin America may owe most to policy choices made both by Washington and governments in the region. Neither the United States nor Latin America is doing enough to sustain vibrant, productive relations. Little effort is being made by Washington, which is stymied by political divisions at home, to address longstanding problems that separate the United States from almost every country in the region. The first order of business for the United States has to be: (1) fixing its broken immigration system, which affects Latin America more than any other part of the world; (2) joining with Latin America to develop a new, more effective approach to dealing with the drug problem, and (3) ending the US embargo against Cuba and other restrictions on US-Cuban relations that are widely rejected in the region.

Simply addressing an unfinished agenda is not enough. Both the United States and Latin America need to do more to exploit the enormous untapped opportunities of their relationship in economics, trade, and energy. They need to work together to deal with global and regional problems. And they need to project common values, including peace, democracy, human rights, expansion of equal opportunity, and social mobility. They need to breathe new life and vigor into hemispheric relations.

If the United States and Latin America do not make the effort now, the chance may slip away. The most likely scenario then would be marked by a continued drift in their relationship, further deterioration of hemisphere-wide institutions, a reduced ability and willingness to deal with a range of common

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problems, and a spate of missed opportunities for more robust growth and greater social equity. The United States and Latin America would go their separate ways, manage their affairs independently of one another, and forego the opportunities that could be harvested by a more productive relationship.

There are risks of simply maintaining the status quo. Urgent problems will inevitably arise that require trust and effective collaboration to resolve. And there is a chance that tensions between the United States and Latin America could become much worse, adversely affecting everyone's interests and well-being. It is time to seize the moment and overhaul hemispheric relations.

SUPPLEMENTAL COMMENT

Bernard Aronson

I support the broad thrust of the report. On counter-narcotics policy, I understand the frustration in the region that successive US administrations have failed to provide adequate, sustained support for demand reduction and rehabilitation of drug users. But I believe that US-supported counter-narcotics efforts in Colombia, Mexico, and Central America are essential to defend democratic institutions. Neither decriminalization nor legalization offers viable alternative solutions to the fundamental threat to democratic institutions in the hemisphere posed by drug cartels.

INTER-AMERICAN DIALOGUE

Members from Latin America, the Caribbean and Canada

Sebastián Acha is a national deputy in the lower house of the Congress of Paraguay and second vice president of his party, Patria Querida. Previously, Acha was founder and executive director of the non-profit organization, Tierra Nueva, which works on rural development.*

Nicolás Ardito-Barletta was president of Panama from 1984 to 1985 and minister of economic policy. He was World Bank vice president for Latin America and the Caribbean and founder and president of the Latin American Export Bank. He is an emeritus member of the Inter-American Dialogue.*

Óscar Arias is founder of the Arias Foundation for Peace and Human Progress. He served as president of Costa Rica from 1986 to 1990 and again from 2006 to 2010. Arias received the Nobel Prize for Peace in 1987.*

Michelle Bachelet was president of Chile from 2006 until 2010. Previously, she served as minister of defense and minister of health. A pediatric physician, Bachelet currently serves as executive director of the UN Entity for Gender Equality and the Empowerment of Women (UN Women). She is Latin American co-chair of the Inter-American Dialogue.†

Alicia Bárcena is executive secretary of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). She previously served as under-secretary-general for management for Secretary-General Ban Ki-moon and acting chef de cabinet for Secretary-General Kofi Annan.†

Roberto Baquerizo is managing director of ProVentures, a New York-based consulting and investment firm. He was governor of the Central Bank of Ecuador.*

Sergio Bitar has served as a senator as well as minister of energy and mines, education, and public works in three separate administrations of Chile. He is a non-resident fellow of the Inter-American Dialogue, where he directs the global futures and Latin America initiative.*

José Octavio Bordón was governor of the Province of Mendoza in Argentina. He was a presidential candidate in the 1995 national elections and served as ambassador to the United States.*

F. Carl Braun is chairman and CEO of UNIBANK, a Haitian commercial bank, and of Groupe Financier National, a financial services and investment group.*

Epsy Campbell Barr is an economist. In 2009, she was a presidential candidate with the Citizen Action Party, of which she was president from 2005 to 2009. Formerly, she was a representative in the Costa Rican National Assembly and a vice-presidential candidate.

Lázaro Cárdenas Batel is former governor of Michoacán State in Mexico with the Democratic Revolutionary Party (PRD). Previously, he represented his home state in the federal Chamber of Deputies and the Senate.†

Fernando Henrique Cardoso was two-term president of Brazil. He was also a senator from São Paulo and served as both finance and foreign minister. Cardoso is a founding member chair emeritus of the Inter-American Dialogue.*

Fernando Cepeda is a professor of political science at the University of the Andes. He previously served as Colombia's permanent representative to the United Nations and to the OAS, minister of government, minister of communications, and ambassador to France, to Canada and to the United Kingdom.*

Violeta Chamorro was president of Nicaragua from 1990 to 1997. She is an emeritus member of the Inter-American Dialogue.

Eugenio Clariond Reyes-Retana is retired chairman and CEO of Grupo IMSA, S.A. He previously served as vice-chairman of the World Business Council for Sustainable Development, and vice-president of the Mexican chapter of the Latin American Business Council (CEAL).*

Joe Clark is former prime minister of Canada. Elected eight times to the House of Commons, he was secretary of state for external affairs and also served as minister of constitutional affairs.*

Oliver F. Clarke is chairman of The Gleaner Company, Jamaica, where he was managing director from 1976 to 2011. He has served as president of the Inter American Press Association and of the Commonwealth Press Union.*

Jonathan Coles Ward was president of Venezuela's Institute for Advanced Management Studies (IESA), where he is currently a professor. He was minister of agriculture and livestock. He is also on the PREAL advisory board.*

José María Dagnino Pastore has served as minister of finance, minister of economy and labor, head of the National Development Council, and ambassador-at-large in Europe. Currently, he is the dean of the Faculty of Social and Economic Sciences at the Catholic University of Argentina.

Sergio Fajardo is governor of the department of Antioquia, Colombia, representing the Green Party. He was mayor of Medellín from 2004 to 2007. A mathematician by training and a former journalist, he was vice presidential candidate in the 2010 national elections.*

Ernesto Fernández-Holmann of Nicaragua is chairman of Grupo Ayucus, which represents various businesses in the agro-industrial, real estate and financial sectors across Latin America. He was chairman and CEO of Grupo Financiero Uno, and is a member of PREAL's Central American Task Force on Education.

Lourdes Flores Nano served as a member of Congress in Peru from 1990 to 2000, and was a candidate for president in 2001 and 2006. She is president of the Popular Christian Party and the National Unity Alliance, and previously served as president of San Ignacio de Loyola University.*

Alejandro Foxley served as foreign minister of Chile under President Michelle Bachelet. He served as minister of finance and as leader of the Christian Democrat Party.*

Luiz Fernando Furlan is chairman of the Foundation of Amazon Sustainability. He was president of the Administration Council of Sadia S.A., one of Brazil's largest food processing companies and served as minister of industry, development and commerce of Brazil.*

L. Enrique García has served since December 1991 as president and CEO of CAF - Development Bank of Latin America, based in Caracas. He was Bolivia's minister of planning and coordination and head of the economic and social cabinet. He has also served as treasurer of the Inter-American Development Bank.*

Diego García-Sayán was congressman, minister of justice, and minister of foreign affairs of Peru. He is now president of the Inter-American Court of Human Rights, director general of the Andean Commission of Jurists, and professor at the Catholic University in Lima.*

George Gray Molina is chief economist for Latin America and the Caribbean at the United Nations Development Program (UNDP). He was coordinator in Bolivia of the UNDP Human Development Report and executive director of the Bolivian Economic and Social Policy Analysis Unit.*

José Ángel Gurría is secretary general of the Organization for Economic Cooperation and Development. He was Mexico's minister of finance and minister of foreign relations. He has served as president and CEO of the National Bank of Foreign Trade, and of Nacional Financiera, Mexico's development bank.†

Oswaldo Hurtado Larrea was president of Ecuador from 1981 to 1984. He is an emeritus member of the Inter-American Dialogue.*

Enrique V. Iglesias is secretary general of the Iberoamerican General Secretariat (SEGIB) in Madrid. Previously, he served as president of the Inter-American Development Bank for 17 years. Before that, he was foreign minister of Uruguay and executive secretary of UNECLAC.*

Marcos Jank is president and CEO of the Brazil Sugar Cane Industry Association (UNICA). He is also founder and former president of the Brazilian Institute for International Trade Negotiations (ICONE) and served as associate professor at the School of Economics and Business of the University of São Paulo.*

Yolanda Kakabadse is president of the WWF. She served as Ecuador's minister of the environment and was chair of the Scientific and Technical Advisory Panel of the Global Environmental Facility. She was also president of the World Conservation Union and is now senior adviser to Fundación Futuro Latinoamericano, Ecuador.*

Ricardo Lagos was president of Chile from 2000 to 2006. Previously he served as minister of public works and minister of education. In 2007 he was appointed special envoy for climate change by the UN Secretary-General Ban Ki-moon. He is now president of the Fundación Democracia y Desarrollo and chair emeritus of the Inter-American Dialogue.*

Nora Lustig is the Samuel Z. Stone professor of Latin American economics at Tulane University. She directs the Commitment to Equity (CEQ) initiative of the Inter-American Dialogue, where she is a non-resident senior fellow. She was president of Universidad de las Américas, Puebla and of the Latin American and Caribbean Economics Association.*

Barbara J. McDougall was Canadian secretary of state for external affairs, minister of state (finance), minister of privatization, and minister of employment and immigration. She is now chairman of the International Development Research Centre.*

Carlos D. Mesa was president of Bolivia. He is an historian and journalist.*

Billie Miller is a retired senior minister and minister of foreign affairs and foreign trade of Barbados. She previously served as the country's first female deputy prime minister and has been minister of health, of education, and of international business.*

Nineth Montenegro is a congresswoman and founder and director general of the Encuentro por Guatemala party, with which Rigoberta Menchu ran for president. She is also founder of the Grupo de Apoyo Mutuo (GAM).

Stanley Motta is chairman of the Board of Copa Holdings, SA in Panama City and has been a director of Copa Airlines since 1986. He has served as president of Motta Internacional, SA, since 1990.

Roberto H. Murray-Meza is chairman and CEO of AGRISAL. He is president of FUNDEMAS, a foundation dedicated to promoting corporate social responsibility in El Salvador. He was president of the Social Investment Fund in the administration of President Alfredo Cristiani.

Moisés Naím is a senior associate in the International Economics Program at the Carnegie Endowment for International Peace and chief international columnist for *El País*. From 1996 to 2010, he was editor-in-chief of *Foreign Policy*. He served as Venezuela's minister of trade and industry in the early 1990s, and executive director at the World Bank.*

Antonio Navarro Wolff is minister of government of Bogotá and was governor of Nariño in Colombia. He has held several political posts including mayor, congressman, and minister of health and was a presidential candidate. He was a commander of the M-19 guerrilla group, which demobilized and formed a political party after the signing of the peace accords in 1990.*

Beatriz Paredes Rangel is candidate for the mayor of Mexico City for the Institutional Revolutionary Party of Mexico (PRI), of which she was president. She was also Governor of Tlaxcala, national senator, member of Congress, and president of the Parlamento Latinoamericano.

Javier Pérez de Cuéllar was secretary-general of the United Nations from 1982 to 1991. He is an emeritus member of the Inter-American Dialogue.*

Teodoro Petkoff is the president and editor of the Venezuelan opposition daily *Tal Cual*. Petkoff broke with the Communist Party in 1971 to found Movimiento al Socialismo (MAS). A presidential candidate for MAS in the 1980s, Petkoff also served as a member of Congress and was planning minister during the administration of Rafael Caldera.*

Pierre Pettigrew served as Canada's minister of foreign affairs from 2004 to 2006, and as minister for international trade from 1999 to 2003. He is currently executive advisor at Deloitte.*

Sonia Picado is president of the Board of the Inter-American Institute of Human Rights. She was a member of Congress; president of the National Liberation Party; justice on the Inter-American Court of Human Rights; ambassador of Costa Rica to the United States; and executive director of the Inter-American Institute of Human Rights.*

Jacqueline Pitanguy is founding president of CEPIA, a private research organization on women's issues in Brazil, and president of the Governing Council of the Brazil Fund for Human Rights. She was president of the National Council of Women's Rights.*

Alfonso Prat-Gay is an economist and member of the National Congress for the city of Buenos Aires, representing the centrist party *Coalición Cívica*. In 2002 he was named Central Bank president of Argentina at age 37.

Jorge F. Quiroga was president of Bolivia from 2001 to 2002. He also served as vice-president, minister of finance, and vice-minister of international cooperation and public investment. He has held several private sector positions in Bolivia and the United States, and is currently president of FUNDEMOS, a public policy institute in La Paz.*

Marta Lucía Ramírez de Rincón served as Colombia's minister of defense under Alvaro Uribe and as minister of foreign trade, as well as ambassador to France. She has also served as a senator and was a presidential candidate in May 2010. Ramírez is now a private consultant in international strategy and defense matters.

Andrés Rozenal is a non-resident senior fellow of the Brookings Institution. He was founding president of the Mexican Council for International Relations and served as deputy foreign minister, Mexico's ambassador to the United Kingdom and to Sweden, and permanent representative of Mexico to the United Nations in Geneva.*

Gonzalo Sánchez de Lozada was president of Bolivia from 1993 to 1997 and again from 2002 to 2003. He is an emeritus member of the Inter-American Dialogue.

Julio María Sanguinetti was president of Uruguay from 1985 to 1990. He is an emeritus member of the Inter-American Dialogue.

Marina Silva is a Brazilian politician and environmentalist. She was the Green Party's presidential candidate in 2010. Before that she served as a senator and environment minister with the Labor Party (PT).

Jesús Silva-Herzog was finance minister of Mexico and ambassador to the United States and Spain.*

Eduardo Stein served as vice president of Guatemala under President Oscar Berger, and as foreign minister under President Alvaro Arzú. He has held positions with the International Organization for Migration, United Nations Development Program, and the Organization of American States. He is coordinator of the Honduran Truth Commission.*

Roberto Teixeira da Costa is a director of Banco Nacional de Desenvolvimento Econômico e Social (BNDESPAR) and Sul America. He served as chairman of the Latin America Business Council and was founder of the Brazilian Securities and Exchange Commission and the Brazilian Center for International Relations.*

Martín Torrijos was president of Panama from 2004 to 2009.

Mario Vargas Llosa is a distinguished Peruvian novelist. He was candidate for president of Peru in 1990.

Joaquín Villalobos is a former leader of the FMLN of El Salvador. He is currently a visiting scholar at St. Antony's College of Oxford University in the United Kingdom.*

Elena Viyella de Paliza is president of Inter Química in the Dominican Republic.*

Alberto Vollmer is chairman and CEO of Ron Santa Teresa, C.A. based in Venezuela. He is also founder of Project Alcatraz, a rehabilitation and reinsertion program for gang members. He participated in Venezuela's Police Reform Commission.

Ernesto Zedillo was president of Mexico from 1994 to 2000. He is now director of the Yale University Center for the Study of Globalization and a professor of international economics and politics.*

INTER-AMERICAN DIALOGUE

Members from the United States

Cresencio Arcos served as assistant secretary of international affairs for the US Department of Homeland Security and as ambassador to Honduras. He is currently senior advisor to the National Defense University's Center for Hemispheric Defense Studies; and senior fellow at the Center for the Study of the Presidency.*

Bernard Aronson was assistant secretary of state for inter-American affairs. He is currently managing partner of Acon Investments and served previously as international advisor to Goldman Sachs & Co. for Latin America.*

Michael Barnes is senior fellow at the Center for International Policy. He was a member of the US Congress (D-MD) and chair of the Western Hemisphere Subcommittee.*

Alan R. Batkin is vice chairman of Eton Park Capital Management, co-chairman of the Board of the International Rescue Committee, and a member of the Board of four NYSE listed companies.*

Xavier Becerra is a member of the US House of Representatives (D-CA). He serves on the Ways and Means Committee and is the ranking member of the Social Security Subcommittee. He is also vice chairman of the House Democratic Caucus.†

Peter D. Bell is president emeritus of CARE USA, the international development and relief organization. He is currently a senior research fellow with the Hauser Center for Nonprofit Organizations at Harvard University.*

Jimmy Carter was president of the United States from 1977 to 1981. He is an emeritus member of the Inter-American Dialogue.*

Julián Castro is the mayor of San Antonio. He previously served on the San Antonio City Council.*

Joyce Chang is global head of emerging markets and credit research at JPMorgan Chase & Co. Previously, she was a managing director at Merrill Lynch and Salomon Brothers.*

Lee Cullum is a columnist who contributes frequently to *The Dallas Morning News* and who has done regular commentary for the *NewsHour with Jim Lehrer*.†

David de Ferranti was World Bank vice president for Latin America and the Caribbean. He is currently president of the Results for Development Institute and is affiliated with the Brookings Institution.*

Karen DeYoung is associate editor and senior national security correspondent at *The Washington Post*. She has served as bureau chief in Latin America and in London.†

Jorge I. Domínguez is Antonio Madero professor of Mexican and Latin American politics and economics and vice provost for international affairs at Harvard University. He serves as a contributing editor to *Foreign Policy*.*

Albert Fishlow is professor emeritus at Columbia University's School of International and Public Affairs. Previously, he was a senior fellow for international economics at the Council on Foreign Relations and professor of economics and dean of international affairs at the University of California, Berkeley.*

Francis Fukuyama is a senior fellow at Stanford University's Freeman Spogli Institute for International Studies. He is also chairman of the editorial board of the *The American Interest* magazine, and has written widely on political and economic development, including his books, *The End of History* and *The Last Man*.*

Bob Graham was a U.S. senator from Florida (D). He was ranking member of the Senate Committee on Veterans' Affairs, and a senior member of the Finance, Environment and Public Works, and Energy and Natural Resources Committees. He served as governor of Florida.

Richard Haass is president of the Council on Foreign Relations. He previously served as director of policy planning for the Department of State.†

Lee H. Hamilton was director of the Woodrow Wilson International Center for Scholars in Washington and a member of the US Congress (D-IN) from 1965 until 1999. He chaired the House International Relations Committee. He is currently director of the Center on Congress at Indiana University and a member of the US Homeland Security Advisory Council.

Carla A. Hills served as US trade representative in the George H.W. Bush administration and as secretary of housing and urban development in the Ford administration. She is currently chair and CEO of Hills & Company, an international consulting firm. Hills is US co-chair of the Inter-American Dialogue.*

Donna J. Hrinak was US ambassador to Brazil, Venezuela, Bolivia, and the Dominican Republic, and deputy assistant secretary of state for inter-American affairs. She is currently president of Boeing Co. in Brazil. She also served as vice president for global public policy & government affairs at Pepsico, Inc.

William Hybl is chairman and CEO of El Pomar Foundation. He also served as US representative to the 56th General Assembly of the United Nations and is vice chairman of the International Foundation for Electoral Systems.

Alberto Iburgüen is president and CEO of the John S. and James L. Knight Foundation. Prior to that, he was publisher of *The Miami Herald* and *El Nuevo Herald* and chairman of The Miami Herald Publishing Co.

Jim Kolbe was a Republican member of the US House of Representatives from Arizona. He served as chair of the Subcommittee on Foreign Operations and Export Financing. He is now a senior transatlantic fellow at the German Marshall Fund and a senior advisor at McLarty Associates.*

Abraham F. Lowenthal is professor of international relations at the University of Southern California, president emeritus of the Pacific Council on International Policy, and non-resident senior fellow of the Brookings Institution. He was the founding director of the Inter-American Dialogue and of the Latin America Program at the Woodrow Wilson International Center for Scholars.*

Mónica Lozano is chief executive officer of ImpreMedia, LLC. She previously served as chief executive officer of *La Opinión*, the largest Spanish-language newspaper in the United States. Most recently, she was appointed to President Obama's Economic Recovery Advisory Board.†

Thomas J. Mackell, Jr. is past chairman of the Federal Reserve Bank of Richmond. He served on the ERISA Advisory Council to the secretary of labor during the Clinton administration. He is now chairman of United Benefits and Pension Services, Inc. and is president of the Association of Benefit Administrators and editor of its newsletter, *Insights*.*

Theodore E. McCarrick is archbishop emeritus of Washington, DC. He also served as president of the Catholic University of Puerto Rico. In 2001, he was elevated to the College of Cardinals. Cardinal McCarrick is past chair of the US Conference of Catholic Bishops' Committees on Domestic Policy, International Policy, Migration, and Aid to the Church in Central and Eastern Europe.*

John McCarter is former president and CEO of GE Latin America.*

Thomas F. McLarty, III served as chief of staff and special envoy for the Americas in the Clinton administration. He is currently president and CEO of McLarty Associates, an international consulting firm, and chairman of McLarty Companies.*

M. Peter McPherson is president of the Association of Public and Land-grant Universities (APLU) and president emeritus of Michigan State University. He is a founding co-chair of the Partnership to Cut Hunger and Poverty in Africa. He was deputy secretary of the US Treasury, administrator of USAID, and chair of the Board of Directors of Dow Jones and Company.*

Doris Meissner was commissioner of the US Immigration and Naturalization Service and has held several positions at the Department of Justice related to immigration policy. She is a senior fellow of the Migration Policy Institute, and was a senior associate at the Carnegie Endowment for International Peace.*

Brian O’Neill served as deputy assistant secretary of the US Treasury Department in the George W. Bush administration. He is now vice-chair of Lazard International, and previously led Latin America business at JPMorgan Chase & Co.

John Porter was a member of the US House of Representatives (R-IL) from 1980 to 2001. He is now a partner of the law firm Hogan Lovells, LLP, in Washington, DC.*

William K. Reilly is the founding partner of Aqua International Partners, a private equity fund dedicated to investing in companies engaged in water and renewable energy. He is a former administrator of the US Environmental Protection Agency.*

Renate Rennie is chairman and president of the Tinker Foundation. She joined the foundation in 1972, becoming its president in 1996 and its chairman in 2008. She was instrumental in developing and advancing the foundation’s work on environmental issues in Latin America.*

Bill Richardson was governor of New Mexico. He served as the secretary of energy—the highest ranking Hispanic in the Clinton administration—also as ambassador to the United Nations. Before that, he was elected eight times to represent New Mexico’s 3rd Congressional District in the House of Representatives. He is currently special envoy for the Organization of American States.*

Anthony D. Romero is executive director of the American Civil Liberties Union. He was previously director of human rights and international cooperation at The Ford Foundation.

Brent Scowcroft is founder and president of the Forum for International Policy. He served as national security adviser to President George H.W. Bush.

Timothy R. Scully is director and fellow of the Institute for Educational Initiatives and professor of political science at the University of Notre Dame. He also founded the Alliance for Catholic Education (ACE).*

Donna E. Shalala is president of the University of Miami. She was US secretary of health and human services in the Clinton administration. She has been president of Hunter College (CUNY) and chancellor of the University of Wisconsin at Madison.

Paula Stern served from 1978 to 1987 at the US International Trade Commission where she was commissioner and chairwoman. She is now chairwoman of The Stern Group, Inc., a Washington-based international trade and economic consulting firm.*

Viron Peter Vaky was assistant secretary of state for inter-American affairs and ambassador to Costa Rica, to Colombia, and to Venezuela.*

* Signers of the report

† Unable to endorse the report because of the positions they hold

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