

*Center for the Study of the Presidency and
Congress News Analysis*

**Trends in Latin America & Presidential
Leadership**

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A Reshaped Regional Narrative

Too often, presidential administrations see the Western Hemisphere as a geopolitical afterthought. Despite geographic proximity, economic opportunity, and generally shared political values, the lack of a “crisis” in the region has relegated it to the bottom of the inbox behind other geopolitical regions such as the Middle East, Eastern Europe, and East Asia. While the United States has been forced to confront challenges in these regions—and will continue to do so—it cannot continue to be at the expense of opportunities to improve relations with partners in the Western Hemisphere.

Over the past year and a half, the Center for the Study of the Presidency & Congress has analyzed how the regional narrative has changed in ways that demonstrate the importance of political reform and economic growth to regional stability and integration. In many cases, it has been the Latin American middle classes and their increasingly global outlook that have driven this process. In others, it has been a combination of bold political leadership and reformist thinking that has driven new approaches to regional problems. In all areas, the growth of entrepreneurialism and private-sector initiative has been

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key to transforming Latin American economies and, thus, demanding more of Latin American political systems.

Contrary to the Cold War—during which many preconceptions of Latin America were developed among policy makers¹—the regional situation is not one of competition within the region. Rather, the region finds itself now defined by two narratives that are driven from within the region itself. The first is of nations backsliding away from democracy as populism and cronyism erode existing institutions and prevent the growth of civil society. Venezuelan oil largesse—combined with Cuban security and intelligence support—had allowed for the continued repression of the Venezuelan people and the spread of Chávez-inspired populism in the region. Brazil's economic potential remained unrealized due to political stagnation, widespread corruption, and overreliance on commodity-led growth. The shortcomings of these systems are laid bare in the Venezuelan economic collapse—a looming humanitarian disaster—and the political turmoil in Brazil.

While significant attention has been paid to the failures in these countries, there is the second narrative: success stories from the region that serve as a model for U.S. policy makers and regional leaders. In this project, the examples of Colombia, Mexico, and Panama have been studied to look at their successes and how those lessons learned can be applied to the region as a whole. This report also examines cases from Chile, Nicaragua, and Peru to explore how some countries require continued engagement and support for major reforms to improve their prospects for economic growth and political stability.

Additionally, during the course of this project, we have seen how the second narrative is ascended in nations that were once paralyzed by the cronyism and populism of the first narrative. Argentina is the greatest example of this, where the election of Mauricio Macri has ushered in a sea change from the period of Kirchnerism that saw Argentina largely isolated from global markets. Seeking reform at home and settlements with bondholders abroad, the new Argentinian leaders have seen that the future lies with reintegration into the global economy; not the preservation of the institutions constituting a neo-Peronist political economy.

While these narratives are driven from within Latin America, that is not to say that U.S. leadership is a nonfactor in the outgrowth of these positive trends. As our analysis will show, the leadership of U.S. presidents in relations with Latin America is a key aspect of hemispheric integration and positive U.S. relations with the region. Consistent engagement with Latin American partners demonstrates how U.S. presidents can help set a positive course for the region. At the same time, the cases we have examined also demonstrate the cost of disengagement.

In this report, we will describe what we have discovered during the roundtable sessions we have chaired during this project—held in Washington DC; Miami, Florida; Bogotá, Colombia; and Panamá City, Panama—which draw on the expertise of many U.S. and regional leaders from government, the private sector, and the business

1. A humorous, yet telling, one-liner was often used to describe partisan differences on Latin America during our roundtables on U.S. Latin America policy: "You can tell the difference between Democrats and Republicans on Latin America, because the former always makes it sound like the 1960s, the latter like the 1980s."

community. First, we look at how this project's analysis of trade and investment, private-sector growth and the rule of law, efforts at hemispheric integration, and security policy demonstrate the changing trends in the region and what they mean for U.S. relationships with hemispheric partners. Following that, we will discuss the narratives of presidential leadership from recent administrations and how the project's participants viewed the legacy of their leadership and engagement with the Americas. We will also briefly address the impact of U.S. relations with the region and what the project found to be their impact on U.S. domestic politics. Finally, we close with a glimpse of some of the positive trends moving forward that draw on the lessons of these case studies of both Latin American countries and the leadership of U.S. presidents.

Regional Trends

Trade and Investment

As Latin America continues to experience a period of economic and political stability, new opportunities for engagement and investment have emerged. Specifically, for states such as Colombia, Mexico, and Panama, their focus on improved governance, economic diversity, and global competitiveness has allowed for private-sector companies and foreign nations to invest confidently in these Latin American countries. In addition, the success of the Pacific Alliance and participation of Latin American countries in the Trans-Pacific Partnership (TPP) negotiations reinforce their commitment to comprehensive reform and development of civil society. The United States should continue to partner with these pro-market, pro-trade countries, while also pushing for these states to make further reforms that foster increased trade, bolster the rule of law, and further regional integration.

For countries such as Mexico and Colombia, reform agendas have assisted in strengthening their economies by moving away from solely commodity-driven growth. Over the past three decades, Mexico has been able to transition from an agricultural and commodity-based economy to one dominated by services and manufacturing. This shift has created a growing middle class with disposable income and has fostered multinational corporations that have the capacity to invest abroad. In addition, the Peña Nieto administration passed a widespread series of reforms in 2013, which will usher in a new era of investment into many essential sectors, such as energy. Policy makers within Mexico are hoping to increase the country's competitiveness through the Pacific Alliance and involvement in the G20 and TPP negotiations. Finally, despite the focus on migration from Mexico that blurs the line between domestic politics and foreign relations, more Mexican nationals are returning to Mexico to seek opportunities there than are entering the United States.

For Colombia, the increased security resulting from Plan Colombia has raised investor confidence in the nation and legitimized the country as a stable trade partner. The country has aggressively pursued free trade agreements and secured a dozen bilateral agreements with countries such as England, Switzerland, the United States, and with the European

Union. However, as the Colombian economy has begun to slow down due to a number of factors including declining oil prices—"the central bank now expects the economy to expand to only 2.8% this year [2015] and 3% in 2016"—the success of the country in diversifying its economy and its steady economic growth over the past few years should not be overlooked.²

For President Santos, growing the Colombian economy has been a priority and his administration has passed multiple reforms aimed at creating more formal private-sector jobs—rather than jobs in the shadow economy—and eliminating onerous taxes, as well as promoting public–private partnerships specifically for infrastructure development. The expansion and diversification of the Colombian economy demonstrates that the country's successful transition from a nearly failed narcostate to a regional leader and global business hub.

Taking advantage of its geographic location and expanding the infrastructure of the Panama Canal, Panama has built a hemispheric trade and transport hub for the needs of global commerce. Emphasizing rule of law and promoting a pro-trade agenda, Panama has sought to attract foreign investment and foster businesses based not just on transshipment of goods, but also further diversification as a regional energy hub and a center for the service and financial industries. As multiple infrastructure projects—including the Canal expansion and development of an extra metro line in the capital Panama City—are nearing completion, policy makers hope to reinvigorate the country's stalled economic growth.

Private-Sector Growth and the Rule of Law

Throughout the course of this project, participants identified a key trend in the region—Latin Americans are expecting more in terms of both economic opportunities and the performance of their governments. An increasingly educated and upwardly mobile middle class is seeking to build new paradigms that emphasize the interrelationship of private-sector entrepreneurship, economic growth, and the respect for rule of law and human rights. Nations that have emphasized the importance of this interrelationship have pulled ahead of neighbors that have remained bound by statist economies and abridgments of freedom. Again, this is the same set of nations that has emphasized open trade and a strong economic relationship with the United States.

As civil society has strengthened in Latin American countries, it is important to understand the role of entrepreneurship and private-sector growth in building a politically powerful middle class. Additionally, increasingly globalized multinational corporations based in Latin America will advocate for policies aimed at economic stability and further regional economic integration.

In building ties with the region, U.S. policy makers must think of entrepreneurialism and private-sector growth as being part of the same dialogue that promotes the rule

2. "Time to Branch Out," *The Economist*, October 31, 2015, <http://www.economist.com/news/special-report/21676957-economic-slowdown-highlights-need-structural-change-time-branch-out> (accessed May 9, 2015).

of law, the strengthening of political institutions, and the growth of independent civil society actors. In addition, further integration of the hemisphere's economies can empower private-sector entrepreneurialism and investment throughout the region.

Hemispheric Integration

During the roundtable sessions, participants stated that further regional integration is in the interests of both the United States and Latin American partners—building on the assessment of its importance to the interrelationship of private-sector strength and civil society. More comprehensive political, social, and economic integration is essential to future development of Latin America and further cements the partnerships between the United States and its hemispheric neighbors.

First and foremost, further integration of the United States, Canada, and Mexico would build upon the North American Free Trade Agreement (NAFTA) framework. The NAFTA framework has proven its worth, even as further trade deals have become politically toxic in the United States. In order for these countries to better compete in a globalized economy, further integration of education, human capital, supply chains, and energy markets is necessary for the North American countries to take advantage of the opportunities the northern hemispheric geography presents. One pressing opportunity is energy, specifically natural gas and electricity.

At the regional level, integration has already begun through the formation of various trade blocs and increased inter-Latin American investment, primarily from Brazil, Colombia, and Mexico. Many of the projects these countries or private firms are investing in are related to infrastructure, public education, public health, and energy. As civil society continues to increase in tandem with economic growth, Latin American governments have realized the necessity for more investment in infrastructure and energy. Major infrastructure projects such as the expansion of the Panama Canal are almost completed, while other nations have begun to promote public-private partnerships as a way to attract private-sector investment in developing roads, bridges, seaports, and airports.

Across the entire Western Hemisphere, similar opportunities for greater integration exist within energy, immigration, and education. Bilateral and multilateral energy integration, as exemplified by the Andean Electrical Interconnection System and Central American Electrical Interconnection System, have allowed for nations to strengthen their energy sector by reducing operating costs and ensuring reliability. In addition, as oil prices continue to fall, Latin American nations and the United States should continue to develop their capacity for storing and producing natural gas. Development of this capacity is already underway at the Panama Canal, and private-sector investment within PEMEX will help advance exploration and production in Northern Mexico and the Gulf of Mexico. Finally, alongside some of the world's largest coalmines, Colombian oil production has reached 1 million barrels per day, and the Colombian energy industry continues to attract talented workers fleeing Venezuela.

To effectively integrate aspects of U.S. and Latin American political and civil society, policy makers throughout the region should work in tandem to develop a more

realistic immigration policy that better addresses the underlying security and economic issues causing citizens to leave their countries. In short, the United States should utilize “soft power” tools to expand the multitude of educational exchange programs already in existence and focus on building relationships at the executive and legislative branch levels. This person-to-person exchange is essential to developing civil society and for creating a twenty-first-century workforce that is competitive on a global level.

Future of Security Policy

One of the most integral and challenging aspects of hemispheric integration is the development of comprehensive security policies, which not only focus on halting criminal activity, but also on citizen security and reinforcing existing security and judicial institutions. As violence in Central America has become increasingly destabilizing to the region, U.S. policy makers should examine how to implement successful aspects of Plan Colombia and the Mérida Initiative to those nations to increase the capacity for governments to respond to this violence.

When developing a new security strategy for Latin America, U.S. policy makers should first understand why the policies of *mano dura* (iron fist) and *super mano dura* (super iron fist) against gangs often exacerbated gang violence. These policies led to high arrest levels of “suspected” gang members, which continued to further stigmatize marginalized communities and placed heavy burdens on the inadequate prison systems in these countries. These procedures not only increased gang recruitment, but also increased levels of violence within prisons and led to low levels of trust between many citizens and the police. Additionally, many of these previous policies focused on lowering the homicide rate and did not incorporate judicial reform, prison reform, or police training as essential aspects to increasing overall security.

Most importantly, criminal organizations within Latin America have evolved over the last decade by diversifying their criminal portfolios to include kidnapping, extortion, human trafficking, money laundering, and even cybercrime. For example, within Colombia the current generation of drug trafficking organizations is called BACRIM or “bandas criminales.” Rather than shipping their products right to the United States, BACRIM ship drugs to Mexico, and then Mexican gangs deliver their product to gangs throughout the United States. Within Mexico, past security policies based on the “Kingpin Strategy” have led to the fractioning of major cartels into smaller groups constantly fighting for territory and influence. This decentralization of cartels within Mexico has made it increasingly difficult for the Mexican government to develop a policy to address violence and the smuggling of illegal products through the country into the United States.

However, given that various gangs throughout the region are strengthening their ties across borders, the United States should consider increasing the amount of resources going to regionwide security programs such as the Central American Regional Security Initiative. These twenty-first-century security programs should build upon intraregional relationships and the security experience of Colombia and Mexico. For the U.S.–Latin America relationship, security is much more than just U.S. assistance to the region—it is

the development of strong institutions by these governments with technical advice and training from various aspects of U.S. military, political, and civil society. Specifically, institutional support for rule of law and judicial reforms are of paramount importance to the United States and our partners throughout the region.

It is of note that the success of security policies throughout Latin America directly depends upon U.S. drug use and the transport of illegal weapons from the United States to gangs throughout the region. President Santos of Colombia has been outspoken in his frustration with European and U.S. consumption of cocaine and the negative effects it has on Colombian society. As the Santos administration continues to implement a peace settlement with the Fuerzas Armadas Revolucionarias de Colombia (FARC), it is essential for U.S. and Colombian authorities to work in tandem to halt FARC's ability to profit from the illegal drug trade. As consumption and demand remains constant within American society, 90% of the cocaine that enters the country passes through Mexico, and the cocaine trade is now valued at \$19–\$29 billion.³

Lastly, in exchange for illegal drugs, Mexican gangs are able to obtain firearms through affiliates throughout the United States. The trade represented annual revenues of \$127.2 million for the U.S. firearms industry during 2010–2012—nearly four times higher than during 1997–1999, when the trade ran to just \$32.0 million.⁴ It is worth noting that these numbers only reflect a portion of the guns that are bought and illegally trafficked into Mexico because the large majority of the guns are unable to be traced by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Factors including the altering of serial numbers, negligence, and bureaucratic barriers make it difficult for the ATF to monitor the exact number of guns trafficked to Mexico.

The Role of Presidential Leadership

For American presidents, policy priorities toward the region have been based on a complex calculation of U.S. public opinion and international events. Not only do policy makers strive to develop bilateral and multilateral policies that are mutually beneficial, but many presidents have focused on achieving a successful result in order to cement their foreign policy legacy.

When examining our country's historical relationship with the region, multiple trends appear. First, constant engagement with our partners throughout Latin America is essential. By continuing best practices from previous administrations, this has led to economic, political, and social development, but has reinforced our legitimacy and influence

3. David Huey, "The U.S. War on Drugs and its Legacy in Latin America," *The Guardian*, February 3, 2014, <http://www.theguardian.com/global-development-professionals-network/2014/feb/03/us-war-on-drugs-impact-in-latin-american> (accessed February 23, 2016).

4. Topher McDougal, Robert Muggah, John H. Patterson, & David A. Shirk, "The Way of the Gun: Estimating Firearms Traffic Across the U.S.-Mexico Border," *University of San Diego Trans-Border Institute*, March 2013, http://catcher.sandiego.edu/items/peacestudies/way_of_the_gun.pdf (accessed February 23, 2016).

throughout the region. In instances where the United States has had to shift attention away from the region, other nations have filled that political and economic void.

Second, U.S. policy makers should continue to develop comprehensive programs that have a multipronged approach to solving a problem. Initiatives such as Plan Colombia and the Mérida Initiative have brought stability to the region because they were developed to curb the influence of drug cartels while reinforcing rule of law and political institutions.

Finally, it is clear that domestic policies implemented by American presidents have had a direct effect on the region. Rather than evaluating Latin America as an isolated player, policy makers should stress the importance of hemispheric integration, as it is mutually beneficial for the United States and our allies throughout the region.

Presidents George Bush and Bill Clinton

As the end of the Cold War ushered in a new era for Latin America, U.S. policy makers had high expectations concerning the development of stronger regional relations. One of the policy priorities of both the Reagan and Bush administrations was to develop free trade agreements with our regional neighbors. As President Reagan looked northward, President Bush looked toward a Mexican trade agreement as a natural progression of bilateral policy.

Despite the economic benefits of NAFTA, the agreement was highly controversial and its disadvantages to U.S. sectors were highlighted during the 1992 presidential election. As Independent candidate Ross Perot campaigned against the agreement, Bill Clinton stated he was in favor of implementing the free trade agreement, contrary to the Democratic Party platform. Not only were there a host of economic benefits to be gained from NAFTA but newly elected President Clinton—like Bush and Reagan before him—believed that signing this agreement would lay the foundation for other free trade agreements with Latin American nations.

Building upon his hard-earned win of congressional approval of NAFTA in 1993, President Clinton hosted the first Summit of the Americas in 1994. “At the first Summit of the Americas, Latin American heads of state shared the U.S. assumption that NAFTA would be the benchmark trade agreement for creating the FTAA [Free Trade Area of the Americas].”⁵ Unfortunately, this bold policy initiative to create a new hemispheric partnership through the creation of the FTAA was eclipsed by multiple crises including the collapse of the Mexican peso, a failed nation-building exercise in Haiti, and the survival of the Castro regime in Cuba. Additionally, the congressional fight over NAFTA left President Clinton without a large amount of political capital necessary to codify policy initiatives into law.

As the Clinton administration was forced to shift its policy priorities, countries such as Brazil ascended to a leadership position within the region. Not only did this limit the United States’ ability to project its influence over the region but resulted in Brazil gaining the designation of “co-leader” of the FTAA process at the second Summit of the

5. John Sweeney, “Clinton’s Latin America Policy : A Legacy of Missed Opportunities,” *The Heritage Foundation*, July 6, 1998, <http://www.heritage.org/research/reports/1998/07/clintons-latin-america-policy> (accessed April 5, 2016).

Americas. This loss of hemispheric leadership during the Clinton administration resulted in the United States becoming a bystander to regional events.

President George W. Bush

After President Clinton was unable to capitalize on opportunities to further U.S.–Latin America relations, the George W. Bush administration stated that Latin American policy would be a priority. Keeping with the trend of the past administrations, much of U.S. policy toward Latin America primarily focused on economics and security. Even with attention turned toward the Middle East, the Bush administration was successful in negotiating free trade agreements with Colombia, Panama, and Peru during 2006–2007.⁶ Another major success for the Bush administration was the negotiation of the Dominican Republic–Central America Free Trade Agreement, which entered into force in 2006.⁷

Yet, with the invasion of Iraq as part of the global War on Terror, the Bush administration was unable to commit the resources it desired toward regional policy initiatives. Foreign policy initiatives influenced by the security concerns of a post-9/11 world, overtly shaped policy priorities during the Bush administration.

As the five-decade-long conflict between anti-government groups—FARC and the Ejército de Liberación Nacional—and government forces continued, Colombian policy makers understood that a new strategy was necessary. Newly elected Colombian President Álvaro Uribe shifted the tone of the conflict between FARC and the federal government by moving away from his predecessor, Andrés Pastrana, and cracking down on FARC forces. U.S. fears of a failed Colombia state, in tandem with the policy changes under the Uribe administration, resulted in the implementation of Plan Colombia. Ultimately, the United States provided more than \$8 billion in aid to Colombia, the large majority of that focused on military assistance. Plan Colombia was successful in weakening FARC by assassinating members of the secretariat, arresting other high-ranking military officials, and cutting the number of FARC guerrillas in half.⁸

The second major security initiative developed by the Bush administration was the Mérida Initiative. The program was based on the Binational Drug Control Strategy, signed in 1998, and resulted in \$397 million in assistance to Mexico from FY2000 to FY2006. The U.S. supported programs aimed at strengthening rule of law; countering money laundering; interdicting cocaine; and halting the production of opium poppy, marijuana, and methamphetamine.⁹ However, as Mexican drug cartels continued to evolve, U.S. and Mexican policy makers announced the creation of the Mérida Initiative in 2007. “As part of the Mérida Initiative’s emphasis on *shared responsibility*, the Mexican

6. “Free Trade Agreements,” *Office of the United States Trade Representative*, 2016, <https://ustr.gov/trade-agreements/free-trade-agreements> (accessed April 6, 2016).

7. “Dominica Republic–Central America–United States Free Trade Agreement,” *Export.gov*, 2016, <http://www.export.gov/fta/cafta-dr/> (accessed April 6, 2016).

8. June S. Beittel, “Peace Talks in Colombia,” Congressional Research Service, April 3, 2014, <http://fas.org/sgp/crs/row/R42982.pdf> (accessed February 18, 2016).

9. Kristin Finklea & Clare Ribando Seelke, “U.S.–Mexican Security Cooperation: The Merida Initiative and Beyond,” Congressional Research Service, April 8, 2014, <https://www.fas.org/sgp/crs/row/R41349.pdf> (accessed February 17, 2016).

government pledged to tackle crime and corruption and the U.S. government pledged to address domestic drug demand and the illicit trafficking of firearms and bulk currency to Mexico.”¹⁰ Most importantly, programs such as Plan Colombia and the Mérida Initiative demonstrate the obligation of the United States to commit resources to ensuring Latin American stability. As a regional leader, U.S. engagement is critical to achieving political, economic, and social stability.

The Bush administration, attempting to build on the successful negotiations of multiple free trade agreements, shifted its focus to the future of the FTAA. In addition to the financial benefits of the FTAA, the Bush administration believed that this trade agreement could counter the encroachment of the European Union and China into Latin America. Yet the opposition to the FTAA expressed by Latin American governments was reflective of larger trends occurring throughout the region. As the United States looked to the Middle East, Venezuela, under President Hugo Chavez, began to strengthen its political position throughout the region. Not only did Chavez galvanize multiple Latin American governments to oppose the FTAA and eventually eliminate the negotiation of the trade agreement at the 2005 Summit of the Americas, but he influenced a neo-leftist revival as multiple nations had recently elected left-wing heads of state, which included the region’s largest economy, Brazil.¹¹

President Barack Obama

For President Obama, closing the political and economic gap between the United States and Latin America was a policy priority at the beginning of his administration. The current administration has built on the successes of Clinton and Bush through the continuation of economic, political, and social programs aimed at strengthening hemispheric integration. The Obama administration has had multiple economic and political successes that have been the byproduct of continued and consistent engagement with our regional partners.

Although negotiated during the Bush administration, free trade deals with Colombia and Panama were finally pushed through Congress in 2011.¹² Not only do these trade agreements solidify a deeper partnership between these nations, they reinforce American leadership throughout the region in the face of growing Chinese and Venezuelan influence. Most importantly, the economic stability and growth experienced by Panama and Colombia has given these governments the ability to focus on securing their nations from narco-driven instability.

Building on these economic successes, the Obama administration worked toward securing the TPP. When implemented, this agreement will unite 11 countries with a

10. Ibid.

11. Tim Padgett, “Why Latin America Bashes Bush,” *Time Magazine*, November 4, 2005, <http://content.time.com/time/world/article/0,8599,1126425,00.html> (accessed April 6, 2016).

12. Bruce Klinger & James M. Roberts, “FTAs with South Korea, Colombia, and Panama Would Create U.S. Jobs and Exports,” *The Heritage Foundation*, May 13, 2011, <http://www.heritage.org/research/reports/2011/05/ftas-with-south-korea-colombia-and-panama-would-create-us-jobs-and-exports> (accessed April 11, 2016).

combined gross domestic product of \$21 trillion and \$4.4 trillion in exports of goods and services.¹³ The involvement of Chile, Mexico, and Peru in the TPP also demonstrates their resolve to become competitive within the global economy.

The Obama administration has also continued to commit resources to the Mérida Initiative and the peace agreement between FARC and the Colombian government. Presidents Obama and Calderón adopted a new strategic framework in March 2010 focusing on four pillars: creating a twenty-first-century border, institutionalizing rule-of-law reforms that respect human rights, disrupting the operational capacity of drug cartels, and building more resilient communities.¹⁴ This new framework is reflective of the failure of previous strategies, which devoted a disproportionate amount of resources to the capture of cartel leaders and resulted in the fracture of major cartels into smaller groups constantly fighting for territory and influence.

During President Obama's second term, the populist trend in the region has largely been blunted by the collapse of its own momentum, laid bare by the collapse in global commodity prices. The failure of the Venezuelan economy was set in place long before oil prices collapsed, but with oil trading near historical lows and the loss of Chavez's charismatic hold over the Venezuelan lower classes, it has become clear that the "emperor" truly has "no clothes" in Caracas.

To a lesser extent, Brazil has faced similar headwinds from the collapse in commodity prices, paired with a raft of political and corruption scandals that have shaken the faith of the Brazilian people in their government and other national institutions. Events that were supposed to be moments of pride for Brazilians, such as the 2014 World Cup and the 2016 Olympics in Rio de Janeiro have been catalysts for public protests over political corruption, failure to deliver basic services, and concerns about Brazilian economic prospects. As the Brazilian economy has largely been positioned to provide commodities to the Asia-Pacific—especially China—it has suffered from a failure to better integrate with the economies of the Western Hemisphere, as many of the South American trade blocs have faltered. Where Brazil once saw itself as a growing power able to increasingly counter U.S. leadership on both the hemispheric and global stage, many Brazilian business leaders have lamented to us that Brazil missed opportunities to better cooperate with the United States and improve U.S. –Brazil commercial and economic ties.

Finally, while the Obama administration's opening to Cuba has faced significant, and legitimate, opposition at home—though it has been overshadowed by his dealings with Iran—the rapprochement between the United States and Cuba has removed a long-term barrier to improved regional relationships for the United States. No longer can the issue of U.S. –Cuba relations be used to decry U.S. policies during regional summits, and Cuba is increasingly incentivized to avoid derailment of regional reform initiatives—partly due to rapprochement with the United States, partly due to the loss of Venezuelan largesse.

13. Barbara Kotschwar & Jeffrey L. Schott, "The Next Big Thing? The Trans-Pacific Partnership & Latin America," *Americas Quarterly*, 2013, <http://www.americasquarterly.org/next-big-thing-trans-pacific-partnership> (accessed April 11, 2016).

14. Brianne Lee, "Mexico's Drug War," Council on Foreign Relations, March 5, 2014, <http://www.cfr.org/mexico/mexicos-drug-war/p13689> (accessed February 18, 2016).

U.S. Domestic Politics

From our roundtable discussions, it is clear that the relationship between the United States and its Latin American partners is increasingly important to domestic politics. The growth of Hispanic-American communities, the exchange of students and workers between countries, concerns about the influx of drugs into the United States and weapons out of the United States, and the contention surrounding existing and proposed trade deals are aspects of foreign policy that weigh heavily on domestic politics. For U.S. voters, the proximity of Latin American countries heightens concerns about security and migration, and skepticism about trade and globalization color domestic political discussions about these issues.

Too often political discussion fails to reflect the true realities. As an example, several roundtable participants indicated that concerns about immigration too often focus on outdated immigration laws, rather than discussing whether the United States continues to have enough workers for stable economic growth. Additionally, it is important that the immigration debate be framed in a manner reflecting the realities and benefits of globalization, which allows for easier flows of guest workers, students, and professionals through streamlined visa processes and border crossings.

Mexico: Immigration and Trade Issues

Mexico is most often used as an example in describing the challenges in U.S.–Latin American relations to domestic audiences. Some of this attention is due to the shared border with Mexico; yet, in other cases, Mexico can be used as shorthand for the region in political demagoguery on immigration and border security.

As the presidential primary season continues, it is clear that immigration is going to be a widely debated and controversial topic. The traditional belief is that the majority of illegal immigrants are coming from Mexico, yet this trend has dramatically shifted in the wake of increased violence in Central America and economic and social stability within Mexico. Mexican immigration to the United States reached its peak in 2000 at 770,000 migrants, began to steadily decline in 2001, and plateaued at 140,000 in 2010. There has also been an increase in Mexicans leaving the United States and, between 2005 and 2010, 1.4 million Mexicans returned to their home country.¹⁵

As a result, the discussion surrounding immigration needs to change to reflect from where and why these individuals are coming to the United States. The United States is alone in the world in allowing a broad definition of admissible family members based on one legal immigrant's status. Rather than crowding out the best and brightest, a more restricted view of family immigration—one less susceptible to abuse and manipulation—would allow broader access to the United States by immigrants whose skills, at all economic levels, are most needed in our country.

15. Richard Miles, "What Mexican Immigration Problem?" USA Today, January 5, 2015. <http://www.usatoday.com/story/opinion/2015/01/03/mexican-immigration-richard-miles/21056155/> (accessed April 14, 2016).

Greater political capital must be used to increase education exchanges and promote rule-of-law reforms, while security initiatives continue to address the violence and trade of illegal products. Additionally, it should be noted that immigration has tremendous benefits for the U.S. economy, especially within those states that share a border with Mexico. Not only are many immigrants highly educated, many are natural entrepreneurs who have established companies, driving innovation and creating jobs.

Finally, while trade has become a more difficult vote in the U.S. Congress over the past decades, there is little in the way of public advocacy extolling the virtues of trade. Too often, free trade and its perceived drawbacks are used as a scapegoat for larger structural failures in education, human capital, and labor skills programs.

Growing Influence of Latino Americans

Finally, as the Latino-American community is already important in U.S. electoral politics—and will only increase in importance—policies regarding Latin America and hemispheric integration will increasingly be blurred between domestic politics and foreign policy.

In the past three elections, eligible Latino voters (U.S. citizens ages 18 or older) have constituted an increasing proportion of the electorate, from 8.6% in 2006, to 10.1% in 2010, to 11% in 2014. Although, even with an increase in eligible voters, national exit polls reported that Latinos made up 8% of voters in this election, which remains unchanged from 2010 and 2006.

Overall, exit polls showed that, in the congressional races, Democrats were able to secure the Latino vote by a margin of 62% to 36% over Republicans. Even though the majority of Latino voters have supported the Democratic Party candidates, it is important to note that many voters have criticized policy makers for focusing political capital on immigration, rather than on comprehensive security programs, energy reform, and expanding trade routes. The Obama administration has framed policy toward Latin America as a shift away from the security focus provided through the Mérida Initiative and Plan Colombia—though it has continued to quietly support security efforts in Colombia. Yet, the current administration has not made progress on negotiating any more free-trade agreements, which were also a priority under the Bush administration, which has hurt the Democratic Party's standing with Latino voters.

The Cuban population within the United States, which traditionally acted as a monolithic voting bloc, is beginning to splinter over the ongoing embargo and the restoration of diplomatic relations in July 2015. Many younger Cuban Americans have supported candidates who want to ease restrictions on Cuba, while many in the older generations continue to support politicians who want to enforce the embargo. However, within key constituencies there remains a cross-generational current of support for the embargo. These fractures are not necessarily down party lines, as there are members of Congress on both sides of the aisle who have been outspoken about easing or keeping the embargo.

Lessons for the Future

Growing Middle Classes Demand More

Protests throughout the region have demonstrated how a growing Latin American middle class no longer tolerates the corruption and graft that have slowed economic growth and prevented political reform. Protests throughout the region—notably the so-called “Central American Spring” in Honduras and Guatemala, unrest in Brazil before the 2014 World Cup, and opposition protests in Venezuela—have illustrated increasing demands for political reform, anti-corruption measures, and the rule of law.

In Panama, the corruption of the Martinelli Administration was revealed by a free media, and an engaged electorate responded at the ballot box. Where healthy institutions exist, Latin American populaces are increasingly able to identify widespread corruption and respond through legal or electoral processes. However, when institutions such as the media, judiciary, and civil society are compromised by populism, corruption, and outright repression, there is little recourse for aggrieved citizenry outside of street protests.

As Latin American citizenries demand more from their governments, the United States and regional partners must stand ready to support reforms that counter corruption via political reform and an emphasis on democratization that also emphasizes the institutions and rule of law that must accompany free and fair elections.

Exchange and Integration

A key element of the political and economic interests in the region is the continued integration of the Western Hemisphere. During the roundtables and delegation visits to the region, educational exchange and training initiatives were repeatedly highlighted as key tools for U.S. soft power and capacity building in the region.

One aspect of this is improving the opportunities for educational exchange with the United States, particularly through scholarship initiatives partnering with neighboring countries combined with reforms to immigration and border control policies that lower the burden on students visiting the United States. Education programs covering a wide range of areas present the opportunity to improve skill sets in both the United States and the partner country, and the development of these programs will further commercial integration within the Western Hemisphere that will be vital for global competitiveness.

Finally, educational exchange presents an opportunity to build capacity for training public servants and civil society efforts in the region. Partnering with local and regional institutions provides U.S. educators an ability to establish schools that can serve as “Centers of Excellence” for training civil society leaders and public servants. Such schools would not only provide linkages between the United States and future generations of Latin American leaders, but also improved regional standards for civil service employment.

Regional Partnerships

As nations in the region experience their own successes, it is important that they serve as an example and reference point for their neighbors. Encouraging civil society, free media, economic development, and the rule of law is not solely the interest of the United States. American partnerships combined with partnerships with Colombia, Mexico, and Panama can have a greater impact than solely working with the United States. One such example is how Colombia can increasingly provide security assistance and training to its neighbors based on its successes. Throughout the region, building and strengthening these multilateral relationships will be key to achieving needed political and economic reforms.

Importantly, the recent election in Argentina has given U.S. and Argentinian policy makers hope that the new administration will reduce the influence of Kirchnerism in the country's economic and political policy. It is essential for both the United States and regional partners to continue to engage President Mauricio Macri with the hope of better emphasizing the rule of law in that country and reintegrating the Argentinian economy into the global economy.

Future Regional Elections

Even as concerns remain about the divergence between nations that have embraced democracy, rule of law, and open economic systems and those nations that have seen a resurgence of populism and protectionism, the state of democracy in the region is comparatively strong to that of other regions in the world. While Venezuela remains an outlier in terms of the influencing and interference with opposition election efforts, the region's success in democratization presents an opportunity as nations such as Brazil, and others will go to the polls in the coming years.

In Brazil, the growing public disquiet regarding political corruption demonstrates the willingness of the growing middle class to address the excesses of entrenched political interests. In this case, the Brazilian people are following some of the other success stories in the region that have illustrated the public desire for better governance and an end to entrenched, corrupt, business-as-usual politics.

For the United States and its regional partners, the combination of the positive examples from region and an emphasis on continued engagement focused on civil society and the rule of law are key tools for potential reform movements throughout the region. Demonstrating the positive benefits provided by the rule of law and increased regional integration is a key way to positively influence elections and promote reform throughout the region.