The Obama Administration and Latin America: A Disappointing First Term

Laurence Whitehead and Detlef Nolte

On 6 November 2012, a new president will be elected in the United States. The voters will decide whether President Barack Obama gets a second term or whether his contender Mitt Romney will succeed him in the White House.

Analysis

The so-called Latino vote might be decisive in winning the election. While both candidates are courting Hispanic voters, the majority of these voters will choose Obama. Already in the 2008 election, Latino voters helped Obama to win key states. However, the strong Latino support for Obama in the previous election did not result in a special interest in Latin America on the part of the Obama administration. It was not until 2012 that Obama cautiously took up the immigration/legalization issue, which is important to both Latin Americans and Hispanics.

- Obama started with great hope and much goodwill in Latin America. Nevertheless, the balance of his Latin America policy is somewhat disappointing – although one has to mention that Congress has finally ratified the free trade agreements with Colombia and Panama.
- US–Latin America relations are routinely managed by multiple bureaucratic agencies, which can act quite autonomously and are often not coordinated via a common strategy. Obama’s Latin America policy has frequently been hampered by political polarization and partisan divisions in Congress.
- The intermestic dimension of US–Latin American relations has complicated foreign policy, because a more self-confident and autonomous majority in Latin America has sometimes sought a policy shift with regard to highly sensitive topics, such as drugs, immigration and Cuba.
- One issue area where some would criticize the Obama administration is its slowness in improving relations with Brazil or placing Brazil on par with, for example, India.
- It is unlikely that Latin America’s modest ranking in US foreign policy will increase or that Washington’s priorities will shift much after the November 2012 elections.

Keywords: USA, Latin America, Obama administration, intermestics
Great Hopes after Bush

After eight years of US foreign policy under President George W. Bush, which was dominated by “war on terror” rhetoric, “coalition of the willing” militarism and unilateralism, and relative disinterest in most of the policy reforms and social innovations developing south of the Rio Grande, Latin American opinion makers greeted the election of Barack Obama in November 2008 with goodwill and some genuine anticipation. Obama’s reputation for intelligence and sensitivity to international concerns, his skepticism about the Iraq invasion, his life experience as a community organizer in poor Afro-American parts of Chicago, his legal expertise, and the hope he was able to inspire, particularly among the college-educated young as well as the inner-city ethnic electorate (including most so-called “Hispanic” voters), all seemed to indicate that this change of presidency might also signal a substantial change in Washington’s approach to its Western Hemisphere neighbors. Even hardcore anti-American figures like Fidel Castro and Hugo Chávez appeared willing at first to give him the benefit of the doubt. Many US-based commentators and think tanks, including the Brookings Institution, offered a large menu of suggestions on how the incoming administration might capitalize on this climate of goodwill, and where opportunities to mark a new direction might be found (Lowenthal, Piccone, and Whitehead 2009).

Two years into Obama’s first term, researchers at the Brookings Institution revisited some of these ideas in light of the developments that had taken place so far (Lowenthal, Piccone, and Whitehead 2010). While the emphasis and interpretations of the various contributors differed, there was a general recognition that most of these initial hopes had been set too high. Symptomatic of this was the fact that the promise to close Guantanamo prison had not been honored, and that, after no more than the briefest of pauses, the “ALBA” group, led by President Chávez, had resumed its negative discourse. Obviously, the gravity of the economic crisis facing the incoming president had absorbed most of his energies, and in the foreign policy domain continuing and severe security challenges in Iraq, Afghanistan and elsewhere in the Muslim world had necessarily taken priority over less urgent Western Hemisphere concerns. On the domestic political front the new president had run into ferocious opposition to his healthcare reforms, and a deeply polarized internal climate had drastically reduced his room for maneuver on peripheral issues.

Modest Achievements, Lost Opportunities

While acknowledging the domestic constraints on the administration, many observers and analysts still hold a critical view on US–Latin America policy during the Obama presidency. Indeed, some ask whether there has been a foreign policy for Latin America at all. A 2011 article in the Americas Quarterly by Moisés Naim is illustrative: “U.S. policy toward Latin America is lethargic, unimaginative and surprisingly irrelevant […] The fact that Latin America does not figure in the calculations or conversations of top U.S. decision makers does not preclude some of them from giving speeches about U.S. policy towards the region that are as disconnected from reality as those given by Fidel Castro in Cuba.” One contributing factor is that foreign policy and Latin America policy became the victims of partisan political polarization and ideology-driven foreign policy initiatives in Congress.

A key example of this was the coup against President Zelaya in Honduras, when Obama sided within the Organization of American States (OAS) with the Latin American countries against the new Honduran government but some Republican senators had their own foreign policy agenda. The latter supported the new Honduran government and blocked the confirmation in the Senate of the US ambassador to Brazil and of the assistant secretary of state for the Western Hemisphere. In Foreign Affairs, Christopher Sabatini (2012) commented sourly, “This absurdity – blocking for nine months the appointment of a regional assistant secretary of state and an ambassador to the region’s most important player (and the world’s seventh-largest economy) over a minor ideological spat regarding a tiny country – shows the lack of seriousness of the workings of the U.S. Congress in general. But it also shows how unseriously Latin America is taken in particular and what sorts of issues are considered important.”

This hijacking of Latin America policy by Republican senators obliged the administration to function with “carryover” appointments from its predecessor. Fortunately, the end of the previous
administration had seen a considerable improvement in the caliber of appointments, so the transition from Bush to Obama was less disruptive than it might have been. However, this also meant there was little scope for conspicuous innovation; or, as Leslie H. Gelb (2012) wrote: “Even with America’s own difficulties and other international priorities, the Southern Hemisphere has commanded shockingly little time from the White House. […] At the Cartagena summit 2012, Obama was slammed for his failure to roll up his sleeves on either the Cuban embargo or drugs. The most interest Americans showed in the region came when Secret Service officers were found to be cavorting with prostitutes.”

The new focus of US policy toward the region was on promoting economic and social opportunity, ensuring citizen security, strengthening effective democratic institutions, and securing a clean-energy future. Naim (2011) has criticized this agenda as being better suited to an economic development agency and not the State Department. It has allowed US diplomats to avoid tackling real and politically explosive issues. A little more political realism is necessary, because “development does not mean the end of politics” and because US policymakers need a reminder “that twenty-first-century Latin America has its own, autonomous power dynamics” (Sabatini 2012).

Whether through lack of presidential attention or as a reflection of Obama’s own outlook, the result after four years is that positive results appear to be lacking. Washington has been “reactive” rather than “proactive” as issues have arisen. Problems certainly have arisen, of course: the drug war in Mexico escalated; Haiti’s fragile institutions were devastated by a huge natural disaster; the Honduran political class united to oust a constitutionally elected president; the Paraguayan president Lugo was deposed by an impeachment, and the new Paraguayan government was suspended from UNASUR and Mercosur. Washington’s responses can be characterized as improvised and lacking a sense of strategic direction. However, this lack of initiative may also reflect the US government’s relative loss of power and influence in Latin America. The case of Paraguay is symptomatic of this. After Brazil, UNASUR and Mercosur had taken a decision on the issue, nobody was interested in the US position and the OAS position was also widely ignored.

The commodity-driven expansion and diversification of Latin American trade has broadened the room for maneuver of most countries in the region. The possibilities for the US to use economic sanctions as leverage have been reduced. Regimes hostile to the United States can turn their backs on Western lending institutions such as the IMF and the World Bank. Thus, the negative consequences of actions such as defaulting on loans or nationalizing industries, or of other actions hostile to the interests of US companies, can be sidestepped. China is now a major trade partner (in some cases the most important trade partner) of most Latin American countries; it is also a major investor in Latin America and, as of quite recently, an important lender. In some cases China is also a major supplier of military equipment. China’s loan commitments in 2010 were greater than the combined commitments of the World Bank, the Inter-American Development Bank, and the American Ex-Im Bank for that year (Gallagher, Irwin, and Koleski 2012).

At the same time, the importance of the US as a trade partner of Latin America’s has diminished over the last decade, not least due to the rise of China. While in 2000 approximately 61 percent of Latin American exports went to the United States and 55 percent of Latin American imports came from the United States, in 2010 the corresponding shares were down to 41 percent and 30.5 percent. However, the US is still a vital trade partner for Latin America, and in many countries it is still the most important partner. Moreover, approximately 20 percent of foreign investment and 90 percent of remittances in Latin America come from the United States. Indeed, while the importance of the US to Latin America’s trade has diminished, the relative importance of Latin American imports/exports for the US has actually increased during the Obama years (Table 1).

The Obama administration has mostly accepted the changed geopolitical landscape in Latin America, albeit with more resignation than active endorsement. A Congressional Research Service study from February 2012 entitled Latin America and the Caribbean: U.S. Policy and Key Issues for Congress in 2012 accepts the new reality: “U.S. policy toward the region must also contend with a Latin America that is becoming increasingly independent from the United States. Strong economic growth has increased Latin America’s confidence in its ability to solve its own problems. The
region has also diversified its economic and diplomatic ties with countries outside the region. Over the past few years, several Latin American regional organizations have been established that do not include the United States."

At the end of President Obama’s first term, the sense of relative inattention and lack of innovation in US policies towards the Western Hemisphere has been confirmed and reinforced. Insofar as the record does contain initiatives of importance, domestic political considerations have typically outranked broader or more outward-looking motivations. On the drugs issue, for example, the US gun lobby has ensured that Latin American governments will continue to face the firepower of their cartels without much effective restraint on arms trafficking from the major consumer market. Cynthia Arnson (2011) succinctly argues, “Mexico demonstrates more than any other Latin American country how U.S. domestic political considerations trump foreign policy in ways that undermine hopes for a new direction. By September 2009 the Bureau of Alcohol, Tobacco, Firearms, and Explosives had revoked the licenses of only 11 of the thousands of gun shops along the 2,000-mile U.S.-Mexican border. Nor has there been any push by the administration or by Congress to renew the 10-year ban on assault weapons that expired in 2004. And neither the administration nor the Senate has made ratification of the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Items a priority.”

Although some minor shifts in the “embargo” have been introduced, in the case of Cuba the 50-year stalemate between Miami and Havana remains essentially intact. The OAS has not gained momentum, either in North America or with most of its southern membership, with the result that regional cooperation projects that exclude the US, such as CELAC and UNASUR, have tended to displace hemisphere-wide endeavors. In much of South America, trade, investment, and even geopolitical ties with extra-hemispheric partners have expanded as the US presence has retreated.

Colombia is the most important contrary case, but even here the increased self-confidence and autonomy of the authorities in Bogota seems likely to result in more international diversification rather than reinforced bilateral ties with Washington. Nonetheless, the Obama administration has fully endorsed the Colombian government’s new peace initiative. A Republican administration could prove more hard-line in this regard. Moreover, it was under Obama that Congress finally approved the free trade agreements with Colombia and Panama. Obama’s administration has also kept cool in the face of various provocations by the left-leaning presidents of Venezuela, Ecuador and Bolivia, while guarding against domestic accusations of softness towards America’s regional critics.

### Explanations for the Low-Key Latin America Policy

While the overall assessment of the administration’s Latin America policy could obviously be elaborated further, the broad pattern is rather clear. It may thus be more useful to consider how this low-key outcome can be explained. Since the results of the 6 November 2012 US election remain very much in doubt at the time of writing, there is limited scope for predicting how US relations with the Americas may unfold under the next administration. Even so, an understanding of the

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Source: Authors’ own calculations based on <http://dataweb.usitc.gov/scripts/Regions.asp>.

**Table 1:** US Imports and Exports from/to Latin America as a Percentage of Total Trade
factors that have constrained Obama’s team from fulfilling initial hopes in the first term should shed some light on future prospects as well.

Latin America has clearly ranked low in the administration’s policy priorities, and in all probability it will continue to do so for the next few years as well. Domestic and economic challenges are likely to outweigh most foreign policy concerns, and other parts of the world are likely to demand whatever attention the administration can spare for international affairs (except those with a very direct linkage to internal policy issues or domestic partisan divides). This is especially true as regards the focus of the White House.

A fair assessment of President Obama’s Latin America record needs to recognize that the region is not central in US foreign policy. Candidates do not expect to win elections with topics related to Latin America, but they know they could lose elections with topics like illegal migration, drug trafficking, organized crime, or weakness in the face of anti-American stances. So while it is correct that there are many so-called intermestic topics linking the US with Latin America, most of these topics have a negative connotation. To make things even more complicated, in some of these areas Latin American countries are now demanding a policy shift on the part of the US government, as a report from the Inter-American Dialogue from April 2012 states: “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.” For the moment it is quite difficult to foresee major progress with regard to any of these topics in the near future given the apparent distribution of US electoral preferences in the 6 November contest.

Although President Obama has received much criticism for his Latin America policy, his popularity in the hemisphere remains high. In the first year of his presidency the Latinobarómetro survey recorded a clear differentiation from the Bush administration. Indeed, his initial evaluation was extraordinarily positive (7.0 on a 1–10 scale; in comparison, Bush 2008: 4.5). In the second year it fell slightly (6.3), and remained at that level in 2011. The Pew global survey of the level of confidence in the US president also saw increased ratings after the end of the Bush presidency that then fell in the second year of Obama’s presidency. Table 2 presents the country-specific ratings.

### Table 2: Confidence in the US President, 2008–2012, by Country

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<td>16</td>
<td>55</td>
<td>43</td>
<td>38</td>
<td>42</td>
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Note: Full question wording: “Now I’m going to read a list of political leaders. For each, tell me how much confidence you have in each leader to do the right thing regarding world affairs – a lot of confidence, some confidence, not too much confidence, or no confidence at all.” US President George W. Bush (2002–2008), Barack Obama (2009–2012). Confidence combines “a lot of confidence” and “some confidence” responses.


While in many policy areas the administration’s room for maneuver has been restricted by its limited power base in Congress, there is one important area where the president could have done substantially better. This is the US policy with regard to Brazil. Brazil expects that the US government treat it as an equal and that the US recognize South America as a Brazilian zone of influence. In some respects relations between Lula and Bush were better than those between Obama and Luísa or Dilma. Many Brazilians consider the period of the Bush and Lula presidencies to be one of the best in bilateral relations (Castro Neves and Spektor 2010). In the case of the joint Turkish–Brazilian initiative to broker an agreement with Iran regarding that country’s nuclear ambitions, both the US and Brazil acted clumsily. While the US government publicly supports India’s quest for a permanent seat on the UN Security Council, it does not do so in the Brazilian case. Until the end of 2011 the US levied special taxes on Brazilian ethanol imports. A planned deal to sell Embraer training jets to the US military failed because the bidding procedure was stopped. To summarize, a new US policy approach towards Brazil is long
overdue (see Hakim 2011 and the Council on Foreign Relations (2011) task force report, Global Brazil and U.S.–Brazil Relations). Even here, however, close inspection indicates that US–Brazil cooperation behind the scenes is often closer and more effective than it appears to be in public.

Who Decides on the United States’ Latin America Policy?

Latin Americans familiar with vertical and often highly personalized systems of presidential governance often assume that the US political system shares these features. It can be difficult to accept that despite polite diplomatic discourse, in reality their country’s priorities and appeals do not really register within the White House. In practice, a lower level of bureaucratic politics determines the great bulk of the policy interactions between the USA and its neighbors. Of course, there is always an appearance of presidential coordination through the White House and the National Security Council, but in practice these central agencies cannot monitor effectively on all fronts and tend to focus on no more than a limited set of urgent priorities. The majority of Latin American politicians more or less understand the role of certain agencies – the Pentagon, the CIA, and the Drug Enforcement Administration – although they often assume that their policies are more centrally controlled than is generally the case. However, there is less understanding of the huge variety of distinct and relatively autonomous Washington institutions that can impinge on foreign policymaking, and still less understanding of how difficult coordination between them can be.

When President Carter prepared an agenda for a high-level summit with Mexico’s president Lopez Portillo in 1979, he appointed a special ambassador, the experienced Democratic veteran Robert Strauss, to help him. This was an ambassador from the White House, not to Mexico but to all the other Washington agencies with entrenched policy interests in Mexico. The task was to work out what the US Department of Agriculture, the Bureau of Mines, the Congressional Subcommittee on Irrigation, and the state authorities in Texas, among others, would ask for and were prepared to offer in the course of an overall bargaining session with the Mexican government. Similar coordination problems arise with other Latin American countries, or groups of countries, and if anything the partisan gridlock in contemporary Washington makes these difficulties even more intractable now than in the past.

Given the brief space available here, it is not possible to map all the major institutions that have contributed to shaping (or blocking) policy innovations towards Latin America during Obama’s first term. But the point can be illustrated by selecting just one agency – one not normally given much attention by Latin American analysts – and listing some of its significant current activities. The Department of Justice under Eric Holder has, over the last few weeks, refused to extradite ex-president Sanchez Losada to Bolivia to answer to the (unreasonable) genocide charges brought against him there. It has also upheld ex-president Ernesto Zedillo’s claim to diplomatic immunity, so that he cannot be brought before a US court to answer human rights charges that were filed against him by a group of indigenous Mexican plaintiffs. Holder is currently said to be “in contempt of Congress” because he has declined to supply it with information it has demanded concerning Operation Fast and Furious, a US scheme to supply illegal weapons to Mexican arms dealers in order to flush out their networks (in this case President Obama signed an order of executive privilege blocking the department from cooperating with Congress on national security grounds). The Department of Justice can also be expected to refuse to allow a leader of the FARC, extradited from Colombia, to return to his country of origin in order to participate in the peace negotiations being initiated there. It is also largely through the actions of this department that the number of illegal aliens detained at their place of employment and then deported to their country of origin has approximately doubled since Obama came to office. This list is perhaps sufficient to confirm that anyone trying to explain the content of the current administration’s policies towards the hemisphere needs to pay fairly close and specific attention to the activities of this Washington agency, and yet the Department of Justice is just one institution among many.

Outlook: After the Elections

On 6 November 2012, the US electorate will choose a new president, a new House of Representatives, and a different balance of forces within the US Sen-
ate. Depending on the preferences of the voters in these contests, the current administration’s policy stances will be reconfirmed or new and different officeholders and platform commitments will be adopted. The uncertainties surrounding these elections seem considerable. Even so, the balance of probabilities is that the recent executive attention to Latin America is likely, on the whole, to persist, and that many issues of great interest to Washington’s allies in the Western Hemisphere are likely to be managed in a reactive and uncoordinated manner, and to be processed through bureaucratic routine, and even inertia, rather than becoming the object of high-level strategic reassessment. This is particularly likely if Obama wins a second term with a narrow majority, although there could be some incremental adjustments depending on how he performs in certain key states such as Florida, and with some “swing” voter blocks, most notably among Hispanics.

If the Republicans either enter the White House or capture the Senate, there is a greater chance of a significant shift towards more hard-line rhetoric against those Latin American governments that have been identified as unfriendly. It is more doubtful that such a rhetorical switch would be followed through with systematic policy innovations. For one thing, the continued gridlock and resource scarcity is likely to mean that an incoming administration would have more urgent matters to deal with and would lack cohesive direction, at least for an extended transition period. For another, various Latin American governments can be expected to react against more hard-line positions by strengthening their defenses and reinforcing their alternative dispositions. There is some potential that a Romney administration might opt to throw some Latin American “red meat” to its conservative supporters, on the basis that fewer risks would be involved in adopting doctrinaire policies in the Western Hemisphere than in other parts of the world where the US position is more vulnerable. However, this suggestion is quite hypothetical and fairly speculative. A return to the postures of the George W. Bush administration at its most aggressive would be unlikely to work well, or to last long. On the whole, therefore, it is reasonable to forecast “more of the same” after 2013 as far as Washington’s Latin America policies are concerned. For many observers in the hemisphere this is a rather dispiriting prospect that could result in Latin America and the US drifting further apart.

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The Authors


E-mail: <laurence.whitehead@nuffield.ox.ac.uk>,
Website: <www.nuffield.ox.ac.uk/Users/Whitehead/LaurenceWhiteheadhomepage.htm>

Detlef Nolte is acting president of the GIGA, director of the GIGA Institute of Latin American Studies (on leave), and a professor of political science at the University of Hamburg.

E-mail: <detlef.nolte@giga-hamburg.de>, Website: <http://staff.en.giga-hamburg.de/nolte>

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