

Chapter 15

The Americas

A Complex Regional Setting

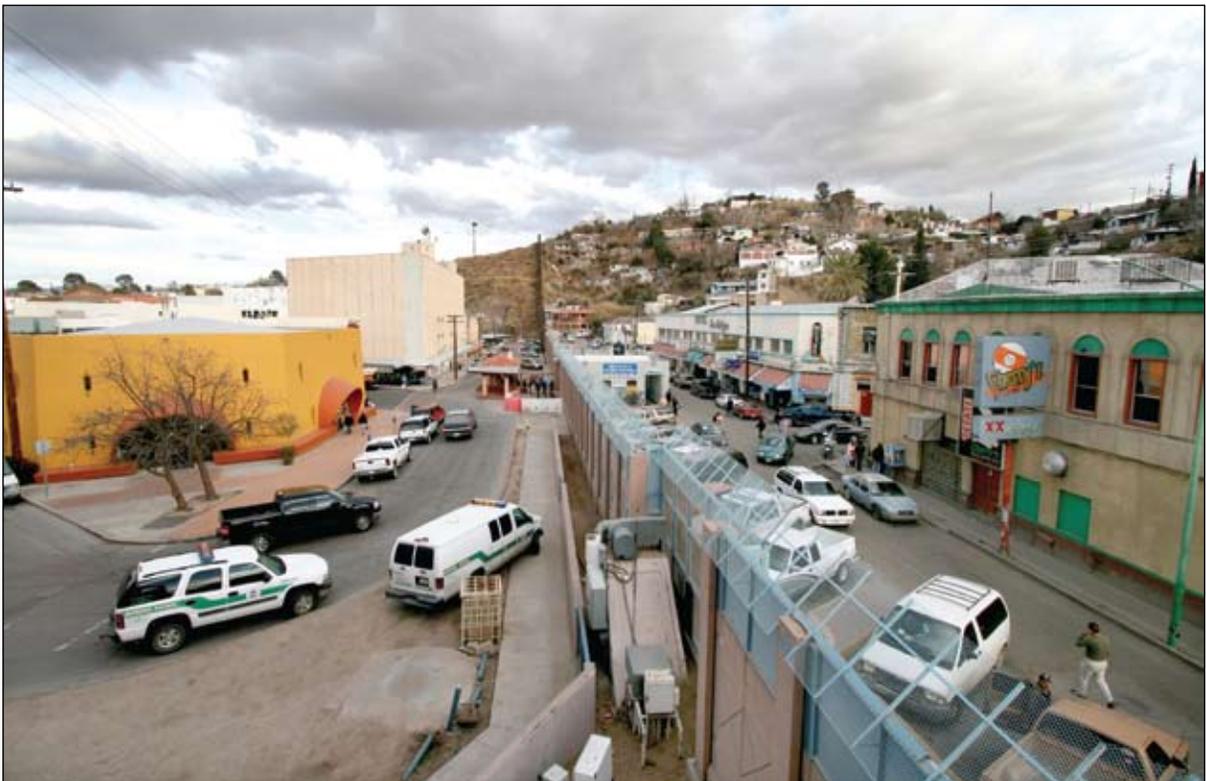
Where does a diverse Western Hemisphere—comprising 35 nations and 22 territories of the United Kingdom, France, the Netherlands, Denmark, and the United States—fit into U.S. strategic thinking?

Historically, the United States took the hemisphere for granted, while also keeping at bay other nations interested in projecting their influence among the states of Latin America and the Caribbean. Washington characterized its habitual policy as strategic denial and used economic and democratic development supported by military presence and security assistance to achieve its goal. With the end of the Cold War, the United States abandoned strategic denial and embarked on a search for a modern, sustainable framework based on respect and partnership, recognizing the emergence of more vibrant democratic

economies, regional integration, and the spread of globalization.

During the past 20 years, most Latin American and Caribbean nations have embraced democratic governance and adopted more liberal market policies. This convergence has kept the region moving forward, albeit less impressively than Asia. Brazil and Mexico, now major global actors, are among several states benefiting from greater economic and trade opportunity. For many smaller countries, particularly among the states circumscribing the Caribbean, relations with the United States have followed demographic, cultural, and economic integration. Some others, mainly in South America, have taken up the banner of populism and denounced the influence of globalization and “savage capitalism” championed by the American superpower. These states promise that

U.S. Army (Gordon Hyde)



Concrete and steel fence divides Nogales, Arizona (left), from Nogales, Mexico

the government, rather than the market, would help the poor battle the rich.

Set against this often contentious but generally peaceful regional backdrop, Washington policy asserts that if its nearest neighbors are not secure and stable, then the United States will be less secure. Four priorities underpin this policy: strengthening democratic institutions, promoting prosperity, investing in people, and bolstering security. In effect, this latest geostrategic formulation resembles past thinking; it remains narrowly focused on economic and security issues and preoccupied with the stability of countries. The strategic potential of the region forming new communities tends to be overlooked.

U.S. global power increasingly resides within the region, not simply within U.S. borders. The Americas are the source of about half of U.S. oil imports as well as large percentages of imported electricity, natural gas, essential strategic minerals, agricultural products, manufactured goods, and human labor and capital on which the U.S. economy relies. Growing interdependence, improvements in the region's infrastructure and telecommunications, and a continuous process of social and cultural integration are changing U.S. society. Even confronting the security challenge posed by transnational crime, which is heavily influenced by the money and violence associated with regional drug trafficking, requires increased and more effective cooperation with other state and nonstate actors.

The United States remains the most important trading partner for Latin America and the Caribbean. However, the region's trade in commodities, increasing international demand, and wide-ranging efforts to promote trade, manufacturing, and capital investment have spawned both partnerships outside the hemisphere and a faster rate of economic growth than at any time since the 1970s. The international competition for trade and influence has begun to impose practical limits on the U.S. Government's ability to dominate events in Latin America and the Caribbean. While neighbors avoid challenging the power of the United States, parts of the region are becoming more distant, independent, and willing to cultivate U.S. competitors and adversaries. Despite recent U.S. efforts to be less intrusive and become a sensitive neighbor, Latin America and the Caribbean have not forgotten Washington's hegemonic tendency to intervene, sanction, and condition trade and assistance for national gain. Diminishing U.S. influence in the world—advanced most recently by the 2008 financial crisis—has thus far done little to reduce a lingering and pervasive perception of U.S. arrogance.

A new administration has an opportunity to turn the page on intraregional relations and tap into some of the existing regional trends to do so.

A new development is taking shape in response to U.S. disengagement, growing anti-American sentiment, and the region's recent prosperity. Nations are coalescing in subregional communities around emerging leaders, such as Venezuela, Brazil, and Trinidad and Tobago. These groups are more willing to accept responsibility for their problems and want to improve their bargaining power with the rest of the world to improve trade and investment, reduce dependence on the United States, and work with North Americans on their own terms.

In what some call the "post-American" era, U.S. leaders must find a policy approach that can deal with the sea change that is taking place in the hemisphere. Washington needs to adapt to the emerging trends and patterns while simultaneously encouraging strategic cooperation among Canada, Latin America, the Caribbean nations, and the subregional communities to solve problems and seize opportunities. The region's tendency toward integration is important, and the United States must define the nature and scope of its involvement in this sensitive environment. The way ahead necessitates curbing the parochial mindset that still influences policies. Instead, the United States should recognize the limits of its influence, being mindful of the need to rebuild confidence in its leadership. The future place of the Americas in U.S. thinking must not focus on the primacy of the United States in relation to its neighbors. Rather, the focus should be on an unprecedented opportunity to build a secure foundation of reciprocal support and cooperation, reducing protectionism among all countries of the hemisphere in an era of uncertain global affairs.

This chapter explores the contemporary context for U.S. relations with 34 neighboring states and the need for a new strategic approach built on three values: respect for the views of other states; a willingness to work with states either individually or as communities in reciprocal ways; and a careful focus on nurturing trust. The accompanying North American atlas provides a snapshot of the extensive interdependency that exists between the United States, Canada, and Mexico. Particular attention is given to the growing challenge of regional criminal organizations and networks, the most serious security problem in the Americas.

The chapter first examines six major countries or issues. The first issue is the opportunity afforded by

the emergence of Brazil as a rising regional leader and a successful global actor. A second issue is the trend toward subregional integration, which may help to deal with common problems at a local level but could also give rise to new tensions. A third theme is the predominance of complex global and transnational challenges in regional security, with a specific focus on climate change and environmental degradation, food security, and energy. A fourth issue is whether Cuba will become a flashpoint or an opportunity because of further political and socioeconomic change in the wake of Fidel Castro's tenure as leader. Security along America's borders with Canada, Mexico, and The Bahamas since 9/11 is a fifth issue of importance in the decade ahead. Finally, the chapter asks how, in practical ways, the United States should respond to a loss of influence in the Americas, the challenges to its leadership there, and how to seize opportunities to advance both regional and U.S. interests.

Engaging a Rising Brazil

Brazil continues to emerge as a regional and global power. When President Luiz Inacio Lula da Silva's second mandate comes to an end in 2010, Brazil will have enjoyed two decades of stable economic growth, while further consolidating its democracy, promoting the integration of the South American continent, and seeing a steady expansion of its voice in global issues. With a population of almost 200 million and half of South America's gross domestic product (almost \$1.7 trillion estimated purchasing power parity for 2006), Brazil has achieved significant progress in reducing poverty and inequality, according to the International Monetary Fund World Economic Outlook Database. While the country displays sharp social contrasts and lags in education, progress has been made by expanding both agriculture and industry and by tapping into the fortune of new bioenergy sources and petroleum reserves in a favorable world market.

Brazil is actively advancing diplomatic and economic initiatives that are redesigning relations with South American neighbors and creating new strategic partners outside of the region. With its modern industrial, agricultural, and financial sectors, Brazil has become an important actor in all the trade, direct investment, energy, and environment issues on the global agenda. Meanwhile, the country has a tradition of strong public diplomacy in promoting ideas and interests, which tends to be well received worldwide.

In the coming years, the United States will have to decide what kind of relationship it wants with Brazil. It can either engage Brazil to forge a partnership that can promote mutual security interests with consultation and collaboration, or it can continue its current course as a passive observer of Brazil's expanding role as a protagonist in global politics and emerging leader on the South American international scene.

Historically, relations between the United States and Brazil have been intense and complex in the areas of trade, investment, and science and technology. Brazilians are large consumers of U.S. cultural trends and technology. Yet in the past decade Brazil's leaders have diversified the country's ties with Asia, the European Union, and its immediate neighbors' markets, all of which have helped the country to weather economic adjustments and constraints emanating from Washington. From agriculture, mining, and fuels to electronics and aerospace, Brazilian companies are aggressively expanding and finding new niches in competitive markets. The discovery of extensive offshore oil and gas reserves may result in the country becoming a major global supplier. Such a prospect may increase the value that China, Japan, and countries from the European Union already see in Brazil and could challenge how the United States is viewed relative to the Brazilian agenda.

The Lula administration seeks to continue the tradition of conducting foreign policy with moderation and positioning Brazil as a reliable broker among actors in conflict. For instance, over the last 10 years, Brazil played a decisive role in solving the Peru-Ecuador dispute in 1998, galvanized the support of the Organization of American States (OAS) for the United States in the aftermath of 9/11, engaged in the stabilization of Haiti, and encouraged the Rio Group to limit the dispute between Ecuador and Colombia in 2008. Brazil has been actively engaged in multilateral collaboration and discreet coordination on counterterrorism with both neighbors and the United States regarding strengthening border controls and flows, especially in its tri-border area with Argentina and Paraguay.

The dominant view among government leaders is to promote Brazil as a "rising power," a project last observed in the 1970s. This outlook focuses on initiatives that help make Brazil a global player in a multipolar world. There is an emphasis on greater interdependence with partners and the avoidance of having to depend on the political will of major powers, especially the United States. One could say that Brazilian officials do not trust the United States as a

reliable partner to assist the country in securing its intrinsic vital interests. The source of such a posture goes beyond current ideological mismatches; it reveals itself in arguments that the United States undermined Brazil's drive to increase its own national power in the 1970s and 1980s. The grievance is more vivid because the victims of U.S. interference were critical technologies, especially weapons systems, nuclear energy, missiles and nuclear-propulsion programs, and attempts to gain inroads in the commercial international arms market. Direct political-military collaboration between the two countries and professional military exchanges among services over the past 30 years could have forged confidence, but they have been routine and modest at best. Save for equipment integrated in its national monitoring system over the Amazon, in recent decades Brazil has turned regularly to Europe to seek partners for modernizing weapons acquisition and has shied away from supporting any military initiative undertaken by the United States that involved foreign intervention.

Amidst Brazil's concentration on becoming a rising global power, there is an opportunity for a new approach between the United States and Brazil over the next few years. To seize this opportunity, Washington will need to consider issues that Brazilian decisionmakers believe are decisive to further collaboration. Unequivocal U.S. signals to Brazil will

be necessary. Commercial relations aside, it will take concrete steps by Washington to convince Brazilian strategists and opinionmakers that the United States is committed to a tangible and lasting partnership on matters of international security. For many Brazilian officials, the U.S. Government's talk of strong political-military cooperation that favors Brazilian projects usually dies at the water's edge with U.S. regulations, legislative barriers, and political restrictions that limit Brazil's access to technology, markets, and the ability to use purchased military systems and know-how without conditions affecting its own commercial endeavors, such as avionics in Super Tucano aircraft.

The United Nations (UN) stability operation in Haiti, enforced since 2004, is an important issue in bilateral relations. Yet it provides great risk for the interests of the United States. Brazilians are beginning to question the value of being a key actor with a large presence committed to sustaining the current mission in the Caribbean neighbor of the United States where Washington itself has invested little. The outcome, costs, and uncertain length of the UN mission could become an issue of political debate in Brazil. The opportunity exists to work together on the ground in Haiti. An untimely end to the operation without consolidating democracy and setting a path for solid economic development for Haiti could place new burdens on the United States and risk a



Petroleo Brasileiro, Brazil's oil company, started extracting oil beneath ocean floor in September 2008

return to direct unilateral humanitarian intervention.

As a critical measure of confidence, the Obama administration must consider what political support it wants to throw behind Brazil so that its defense sector can access American technology to meet the next wave of modernization for its armed forces. The government is on the brink of deciding which overseas partners (France, Russia, Ukraine, India, Israel, and China, among others) to collaborate with, while seeking to share and transfer sensitive technologies, partner on industrial production, and collaborate in developing new weapons systems, including a new generation of fighter planes and nuclear-propulsion submarines. In Brazil, programs such as these are important in setting the stage for the pattern of engagement for decades to come.

The United States needs to determine the degree to which it wishes to support Brazilian diplomatic initiatives on security issues in South America. Since the resolution of the Peru-Ecuador dispute in 1998, Brazil has intensified its role as a moderating actor in support of peaceful resolution of disputes and controversies. This has led Brazil to suggest that the United States should restrain itself from intervening in that part of the Americas. Brazil has mobilized neighbors to build a new forum for defense dialogue through a South American Defense Council, promoting it without the participation of Washington.

While it is too soon to reveal all the implications and support for such a regional council, this initiative demonstrates a clear desire by the country's dominant security thinkers to hedge Brazil's interests from the mercurial influences of populist movements such as that of Hugo Chavez in Venezuela.

Another movement that demands attention from the United States is how to address Brazil's aspiration to hold a permanent seat in the UN Security Council. Brazilian ambition in this matter mirrors that of others such as India, Pakistan, South Africa, and Japan. The country is an active contributor in shaping UN reforms and has expanded its strategy to seek regional and global support for its goal. This drive may pit Brazil against the United States in defining the functions, roles, and membership of the Security Council. However dim the prospects for UN Security Council reform, the stance the United States takes on this issue will have a critical impact on bilateral relations.

The reality of global climate change and the concepts of nationalism and sovereignty are key components of Brazil's debate about the Amazon tropical rainforest. Most Brazilians are very possessive about their control of that territory, and there are concerns about prescriptive efforts to internationalize parts of the region for preservation purposes. The protection of borders associated with the enforcement of Brazil-

UN (Logan Abassi)



Argentine MINUSTAH contingent provides security as World Food Program workers unload water bottles

ian authority, including lands now demarcated as native Brazilian reservations, is a driving factor in the current defense review for increasing military presence in this region. The fear of foreign intervention in issues pertaining to the Amazon rainforest persists in the Brazilian internal political agenda. Segments of Brazil's security leadership acknowledge a threat to the country's sovereignty from encroachments by illegal trafficking and guerrillas from neighboring countries. They also hear foreign celebrities and pundits claim that the Amazon is a global asset and Brazilian management of the region harms the global environment. Among the most nationalistic military leaders, the United States is seen as the major threat to Brazil's sovereignty over the Amazon by condoning criticisms to Brazilian policies in that region.

Finally, both Brazilians and the international market are trying to evaluate the scope of the recent oil and gas fields located in deep coastal waters off the country's east coast. Some estimates indicate that Brazil may become a major energy producer as it adds oil assets to biosources for fuels. If these estimates turn out to be true, the income from future oil production will further project Brazil's importance as a global and regional actor that plays a major role on the stage of political, commercial, and security issues. The U.S. Government needs to decide what kind of constructive relations it wishes to have with this resurgent power and act in a convincing manner.

Emerging Subregional Solidarity

A positive strategic development is taking shape in Latin America and the Caribbean as countries look to cooperate with neighbors on economic, political, and security issues. The trend takes two forms: a readiness to deploy military or police forces outside the homeland on UN peacekeeping operations, and a willingness to form subregional communities, independent of the United States, to attend to opportunities and problems that affect the group's ability to attract capital and acquire bargaining power with other blocs or powerful states in the international system. "We believe that the region's problems have to be solved in the region," Chile's foreign minister, Alejandro Foxley, said in September 2008. "I don't like going around making others responsible." This second trend in Latin American and Caribbean relations is the subject of this section of the chapter.

To be sure, the emergence of subregional solidarity does not eliminate all lingering tensions, and even less does it guarantee regional peace and prosperity. High-level meetings underscore the importance of

issues, while resolutions and declarations express a commitment to address them. However, there are thorny points of tension that affect concrete action and can undermine the credibility and durability of communities, thus minimizing their prestige outside the hemisphere. Furthermore, each subregion has its own historic or emerging tensions, while other issues affect the whole region. With the United States on the sidelines, the South American community faces an ideological divide over governance. This divide is represented by the conflicting geopolitical interests between President Chavez's Bolivarian socialism and a modern democratic alternative exemplified by Brazilian President Lula. From a larger perspective, there is also a need to resolve the hemisphere's complex maritime disputes that affect undersea resources and state control over sovereign waters. How North American, Latin American, and Caribbean communities handle these points of tension will influence U.S. geostrategic thinking about the Americas as a strong and reliable source of reciprocal support and cooperation in an era of uncertain global affairs.

Attempts to create political associations date from movements for independence. However, history, geography, and inadequate cross-border infrastructure in inhospitable terrain combined with U.S. intervention have kept Latin America and Caribbean countries focused on introspective and defensive visions of their interests. With the exception of the OAS and its related bodies, the disparities between countries in size, level of development, and rate of economic growth—exacerbated by national rivalries—hampered the effectiveness of early integration efforts. As a result, movement toward serious collaboration did not begin until the 1990s as most states ended traditional rivalries and began cooperating with neighbors. Summit meetings, trade negotiations, the recent creation of the UN Stabilization Mission for Haiti (MINUSTAH), and collaboration on the OAS Democratic Charter and other declarations increased the confidence and willingness of Latin American and Caribbean nations to act independently.

The region's shift toward multilateralism confirms the influence of globalization on economic growth, which is occurring faster than at any time since the 1970s. In 2008, Latin America and the Caribbean have completed 6 consecutive years of growth with an average annual per capita growth rate of 3.5 percent. This trend is propped up by an expanding external demand for a wide range of commodities at high prices. China and India have joined Japan, the European Union, and the United

States as major trading partners for the region. This increase in trade benefits South America most, while Central American nations, being net energy and food importers, are the least favored. Improved relations within subregions also stem from two other determinants: the convergence of social, economic, and political thinking in the Americas, and Washington's post-Cold War disinterest, exemplified by a diminished military presence, which has given its neighbors considerable political maneuvering space. These determinants also combine with the Brazilian and Venezuelan desires to be the bridge connecting all political currents in Latin America. As a result, confident Latin American and Caribbean states have coalesced in subregional groups with formal political and economic structures, such as the Caribbean Community and Common Market (CARICOM), the Central American Integration System, and the Union of South American Nations (*Union de Naciones Suramericanas*, or UNASUR).

Competing Approaches to Governance

The Union of South American Nations, created in May 2008, seeks to consolidate a South American identity in the global arena and minimize the continent's dependence on the United States. UNASUR, championed by Brazil, includes a 12-nation defense council and envisions a future regional parliament, common market, and common currency. In promoting this community, Brazil hopes to integrate existing trade arrangements, namely the Common Market of the South and the Andean Community, while offsetting President Chavez's attempt to position Venezuela as the South American leader with his six-member Bolivarian Alternative for the Americas (ALBA). The first test of the new community's effectiveness came with a deteriorating political situation in Bolivia. In September 2008, UNASUR members met at an emergency session. However, they did not try to end the crisis. They backed the elected president and pressured opposition governors (prefects) to continue negotiations with the Morales government to solve it.

The turmoil in Bolivia draws attention to a fundamental tension in South America and, to a lesser degree, Central America. There is a restrained ideological and geopolitical battle under way between the two reformist approaches to national governance. UNASUR can play a pivotal role in managing this tension. Both sides want to correct glaring unequal distributions of wealth and opportunity, persistent poverty and, in some countries, mediocre economic

performance. Both make use of populist appeals and exploit the media. The Bolivarian strategy, trumpeted by Venezuela, is to win power by election, conserve and concentrate it through constitutional changes, create loyal "circles" based on ethnic and class appeal to secure it, and then introduce Cuban medical and other social cadres to benefit constituents. In this strategy, government maintains control with an authoritarian structure and transforms public institutions to serve its interests. The state implements radical anticapitalist policies, including price controls and subsidies; nationalizes natural resource and utility sectors, such as petroleum and communications; and expropriates banks, key businesses, and land. Flush with oil wealth and controlling the economy, President Chavez concentrates on quick answers to sharing wealth rather than long-term solutions, taking every opportunity to blame the "demon" United States and its globalization for his domestic problems and to oppose "the empire's" foreign policies. The ascent of this statist approach to governance in South America is also found in Bolivia and, to a lesser extent, Ecuador and Argentina. Presidential efforts to consolidate this strategy often are a cause of internal friction, as in Bolivia, and raise international concerns about foreign property rights and domestic stability.

Meanwhile, the modern democratic approach exemplified by Brazil goes beyond the ballot box. This strategy works within the law to empower citizens to hold authorities accountable, strengthen government institutions, and target social and economic policies that facilitate inclusion and improve the standard of living. This approach stresses the importance of market forces, respects private property, and encourages capital investment and trade to expand domestic business, reduce unemployment, and improve personal well-being. Varying degrees of state regulation control inflation and try to ensure the economy works in the country's best interests. This strategy for governance is consolidated in varying degrees in Chile, Colombia, Peru, and Uruguay, which, along with Brazil, account for more than 80 percent of South America's economy. Much of these countries' trade is with the United States.

Guided by geopolitical motives rather than ideological ones, Brazil wants a peaceful, integrated South America to become a serious global player. Brazil is the hub with the fifth largest economy in the world, an investment-grade rating, major energy finds, and broad-based partnerships with African countries, India, and China. It has long been

a country without enemies. Brazil benefits from a friendly and increasingly interconnected continent with a developing political and economic identity as a country *not* subordinate to the United States. To ensure Brazil's freedom of action as an autonomous major power, the Lula government also recognizes that national defense must return to a position of importance. His team has taken this step by articulating a strategic plan for defense that modernizes the armed forces, transforms their doctrine, and revives national defense industries. Brazil also championed the creation of a South American Defense Council under UNASUR as a place to allay suspicions and discuss security challenges and opportunities facing each country.

Venezuela, on the other hand, is motivated more by ideological interests and leverages its surging oil revenue to legitimize and export its socialist strategy. The Chavez government financially supports leftist politicians and political parties in many countries. There are allegations of covert donations to the Revolutionary Armed Forces of Colombia and smaller radical movements in other American societies. Venezuela seeks strategic alliances and uses barter through the political trade integration initiative ALBA, discounts oil payment terms under PetroCaribe, and has purchased much of Argentina's debt. Under President Chavez's leadership, Latin America and the Caribbean would be without U.S. or other Western influences. He regularly calls for the creation of a South American version of the Organization of the Petroleum Exporting Countries and a development-focused Bank of the South, among other related initiatives.

To insulate his regime diplomatically and militarily, and to raise the stakes for regional influence, President Chavez has found partners in Russia and Iran. Since 2005, Venezuela has ordered more than \$4 billion worth of Russian weapons and military systems for defense, including fighter aircraft, helicopters, and anti-air capabilities. Recently, Chavez received a \$1 billion Russian loan to buy more. Russia has delivered 100,000 Kalashnikov assault rifles and is building factories in Venezuela for spare parts and ammunition. Moscow has accepted an invitation to conduct air and naval exercises in Venezuelan territory (but declined a military base) and, in another context, agreed to cooperate on nuclear energy as well as oil and gas exploration. Venezuela has similar energy arrangements with Iran. Russian and Iranian envoys are active in Bolivia and other countries that have adopted the Bolivarian strategy.

It is important not to gloss over some fundamental differences between nations in South America, or to overstate the appeal of President Chavez's strategic thinking, or to forget that the quest for trade and investment has caused governments to join in partnerships outside the hemisphere. That said, the "soft" rivalry between antithetical approaches to governance is setting a troubling direction and confrontational tone for future continental affairs. UNASUR and its defense council are in a position to allay the tension. The willingness of the United States to work with Brazil and other interested countries in favor of stability and to avoid intervention will strengthen U.S. relations with the region.

Maritime Disputes

Longstanding maritime territorial disputes, controversies about ownership of undersea resources along boundaries, and concerns about maintaining control over sovereign waters are regaining importance in the Americas. However, the region is poorly prepared to use legal remedies to settle these disagreements. The OAS lacks a coherent legal framework and 20 percent of its member states, including the United States, are not parties to the UN Convention on the Law of the Sea (UNCLOS). This awkward situation presents emerging subregional communities with a serious point of tension.

As global warming melts polar ice and sea levels rise, the American nations have begun to face new challenges in redefining territorial boundaries. Many countries in the Caribbean Basin, for example, claim small, uninhabited islands that give them rights to the ocean and seabed for the surrounding 200 nautical miles, as defined by UNCLOS. As islands shrink and ultimately disappear, nations lose large portions of their maritime territories and, more importantly, the undersea natural resources they may hold.

Canada faces a related problem of sovereignty in the Northwest Passage. Although experts believe the passage will only be open briefly each year, Canada is asserting its territorial control and has declared the passage an inland waterway. The United States insists the passage is a series of international straits and not subject to the same restrictions as inland waters. Russia and Denmark have also made claims to the area. As a result, countries have begun moving appropriate military capabilities to posts around the Arctic in anticipation of its future strategic importance. Furthermore, the settlement of this dispute through a multilateral channel is unlikely because the United States and Denmark have not ratified UNCLOS.

Yet among the more complex and immediate maritime issues facing South America is the inability of Caribbean countries, which have relatively small security forces, to control their vast maritime territories. Few of these countries can police their 12-mile contiguous zone, much less their 200-mile exclusive economic zone (EEZ) as defined by UNCLOS. While the convention allows for pursuit of boats suspected of illicit activities if the chase begins in the pursuer's territory, it leaves little room for countries to pursue criminals outside their own EEZ. To further complicate the issue, nearly 60 Caribbean maritime boundaries remain undefined. This deficiency in Caribbean territorial control becomes more significant as drug traffickers increasingly favor using waterways instead of land routes to move drugs across borders. Insular states, most notably those belonging to the Regional Security System in the eastern Caribbean, work to confront this challenge, but collectively they have limited resources and only involve a portion of the CARICOM community.

New technologies to retrieve ocean and seabed resources lead to new territorial disputes. The discovery of new oil deposits along a border, as between the United States and Mexico, and the migration of fish, such as traditional movements that occur off the coasts of Peru and Chile, complicate neighboring country claims of an economic right to undersea resources. A subregional community in the Carib-

bean Basin, CARICOM, helped member states, all of which are party to UNCLOS, work out agreements to share benefits from migratory fish stocks and deep ocean minerals, but this example has not been emulated in other disputes.

In a region where many countries are not party to UNCLOS, early identification and resolution of potential maritime conflicts become increasingly important. The discovery of new undersea resources and the increased use of waterways for illicit trade exacerbate the complexity of the situation and increase the urgency of finding a solution. Without the acceptance of UNCLOS, interstate friction will intensify with little opportunity for effective legal solutions. Thus, until countries ratify the convention, the willingness of nations to solve a range of common problems by forming subregional communities, such as CARICOM, may be the only answer.

On the U.S. side, future administrations will confront subregional communities that have gained confidence in their ability to work together in allaying tensions and seizing opportunities. As these communities become more self-reliant, Washington's strategy, diplomacy, and economic policies will have to be more multilateral and recognize a collaborative and supportive role for the United States, rather than pursuing our historical unilateralism in confronting shared issues in the region.

Emerging Global and Transnational Security Challenges

At the end of the Cold War, the great threat to democratic consolidation in Latin America was no longer external; internal threats arising from narcotrafficking and the only remaining insurgency in Colombia led the list of security issues in the region. By 1991, U.S. Southern Command had also flagged economic inequality as something that could give rise to increased conflict and violence. Over the last two decades, and especially since September 11, 2001, transnational threats have become a growing component of the security challenges that affect not only Latin America, but also the world.

There are many kinds of transnational threats. Some will require a military response, but most are more appropriately addressed by civilian authorities such as the police, especially in the case of crime, and by other civilian agencies, in cases involving the environment, poverty reduction, or energy. While most people do not think about transnational threats in terms of national security, their central importance can no longer be ignored. Not only will the region's



U.S. Navy (Michael Sandberg)

U.S. Sailors and Mexican marines work to remove debris from school in Mississippi in aftermath of Hurricane Katrina

militaries be needed to address these challenges, but also greater coordination and collaboration with civilian institutions will be central to resolving any immediate crises or finding long-term solutions.

In a region so bound by respect for sovereignty, it will be important to design transnational response mechanisms that encourage solutions that provide appropriate protections for the affected nation while allowing for greater cooperation in the future. This is a tall order. Regional security will depend on the emergence of programs that address the effects of climate change, for example, but also create trans-regional projects that promote responses to these potentially devastating types of problems.

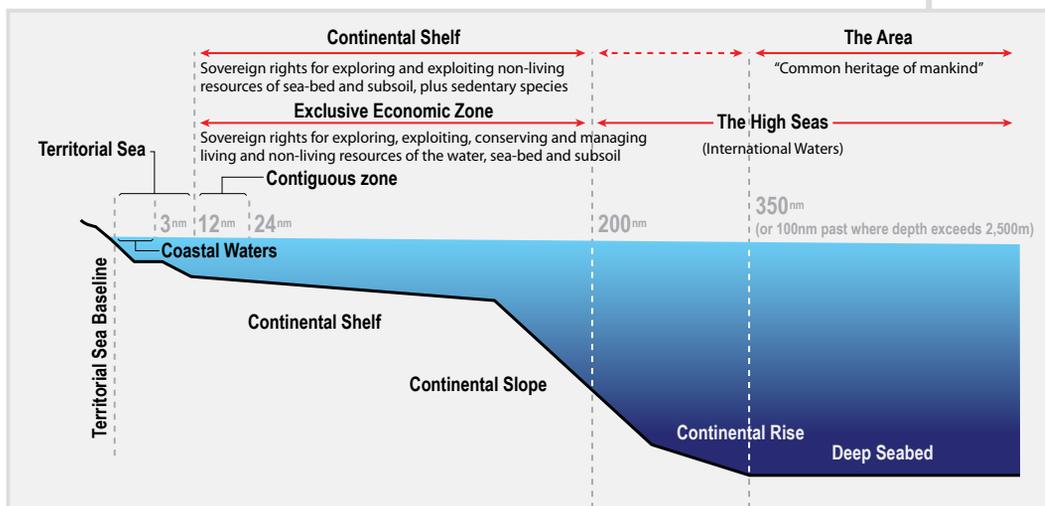
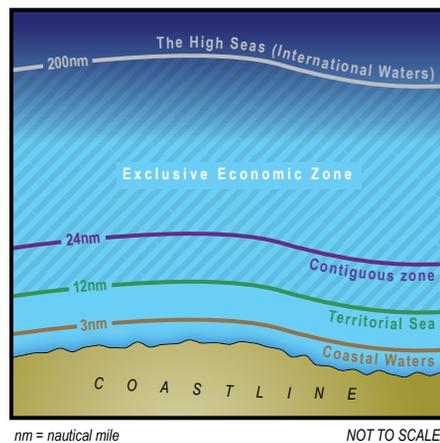
Finally, as the world becomes increasingly multi-polar, the United States will face greater economic and political competition in the region. As emerging powers such as China and India seek to influence the hemisphere, the potential for tension with the

United States will increase. Similarly, Russia is poised to establish a greater role as an arms supplier to the region's armed forces. Iran is also flexing its diplomatic muscle through its recent outreach to Venezuela. The growing influence of Brazil as a major global economic player and potential oil-producing powerhouse presents both opportunities and challenges to U.S. interests. These emerging trends will require new economic and political alliances that can be viewed as an important opportunity for globalization and development, or as a broader threat to U.S. security.

The Economy: Endemic Poverty

Latin America and the Caribbean have the most unequal income distribution in the world, according to the 2008 World Development Indicators from the World Bank. Severe poverty and underdevelopment have led many Latin Americans to engage in illicit activities for employment and sustenance. The

Maritime Zones



Source: Australian Department of the Environment, Water, Heritage, and the Arts

impact is especially great for countries with a youth bulge, where vast numbers of citizens are under 25 years of age. Such a situation is considered a key indicator of a potentially conflictive environment. While this trend will peak by 2010 in countries such as Brazil and Mexico, it poses a threat to internal security as long as opportunities for economic gain, education, and work do not materialize.

The poverty rate in Latin America has been cut by more than half since 1950 (from 60 percent to perhaps 25 percent in 2007), according to the 2006 World Bank report on Latin America, *Poverty Reduction and Growth: Virtuous and Vicious Cycles*. But as the UN Economic Commission for Latin America has shown, improvement has not been homogeneous. The decline is a product of reduced inflation, remittances, conditional cash transfer programs and other forms of aid, job creation from foreign direct investment, and growing economies. The continued reduction of poverty in Latin America can be helped to some extent by ensuring the region greater access to trade and new markets. This will require more attention to expanding foreign direct investment and promoting new types of industries such as alternative energies and revitalizing agriculture. Prospects for green jobs may help in some countries—especially in the Caribbean and Brazil. Securing titles to property also contributes to the reduction of poverty. Credit scarcity as well as bureaucratic and fiscal barriers to entrepreneurs also need to be addressed. Finally, the empowerment of women through increased educational opportunities and growing employment opportunities is also evident in many countries.

The Role of Energy

Latin America and the Caribbean have abundant energy resources, but they are very unevenly distributed. In 2006, Venezuela, Mexico, and Brazil controlled 90 percent of the region's oil reserves. Natural gas reserves are concentrated in Venezuela (60 percent), Bolivia (9 percent), Trinidad and Tobago (7 percent), Argentina (6 percent), and Mexico (6 percent). A major new oil and natural gas find off the southern coast of Brazil augers potential future supplies, but these new sources are deep underwater and will take billions of dollars to extract. Moreover, they will not be available for at least 5 to 8 years.

The recent price hike of hydrocarbons has not translated into an increase in production. Instead, it has been accompanied by a decline in production in the region's major players, Mexico and Venezuela. This is the product of underinvestment, resulting from

both governments' treatment of the national oil companies as "cash cows," combined with legislative and political environments adverse to foreign investment. Ultimately, this decline in production contributes to the continued rise in world oil prices, which puts downward pressure on the economy and disproportionately worsens the quality of life for the poor.

Oil-poor countries of Central America and the Caribbean face a pressing crisis: they are unable to pay for imported oil and gas. As a result, they have come to rely on support from Venezuela through the PetroCaribe initiative. In the short run, this will help save funds needed for social and economic development through reduction in energy costs, but in the long run these states will face an energy crisis that requires investments in renewable energy resources to prevent long-term dependency on one source.

Latin America is distinctive for its vast renewable resources: hydropower, solar, aeolic, geothermal, and biomass. With some exceptions, most of the region's potential in renewables has remained unexplored due to engineering difficulties, lack of economic incentives, environmental concerns, and an absence of governmental support. Brazil is at the forefront of the exploration of renewables in the region. Its success story with ethanol has generated considerable interest in biofuels across Latin America and in the United States, resulting in the U.S.-Brazil Biofuels Pact of March of 2007. This alliance of the two largest ethanol producers should become the foundation of a U.S. energy policy for the Americas.

Given the expected increase in energy demand by 2030, great strides will be needed in the next 4 to 8 years to set down the legal and regulatory mechanisms for broader integration of the region's energy sector. Important decisions in such countries as Mexico, Bolivia, or Venezuela may even be deferred by political obstacles. Different resource endowments make hemispheric uniformity on energy policy impossible, and it may be wiser to think of compatibility in negotiating key aspects of the partnership.

Climate Change, Environmental Degradation, and Food Shortages

Climate change has led to increased natural disasters that will negatively impact the region unless a massive program of environmental adaptation is encouraged immediately. The security dimensions of this problem include sudden massive movements of populations, creating a new category of environmental refugees. Rises in sea level, which are already taking place, compound other environmental threats such as

hurricanes and earthquakes, which will demand military rescue operations and humanitarian assistance.

With rising amounts of carbon dioxide in the atmosphere, it is also vital to retain forests, primarily the Amazon. According to recent satellite photographs, nearly 65 of every 100 hectares of forest lost worldwide between 2000 and 2005 were in Latin America. South America showed the largest deforestation in square miles, while Central America lost the highest percentage of forest. The leading cause of deforestation between 2000 and 2005 was the conversion of forest to land for agriculture, particularly to the monoculture of soybeans. Haiti is now 94 percent deforested, and Honduras will lose all its forest cover in 30 years if its rate of deforestation is maintained. On a more positive note, reforestation is under way in countries such as Costa Rica and Saint Vincent. Currently Brazil is the only Latin American country aggressively using real-time high-resolution satellite imagery to track the rate and areas of deforestation. Few other countries can afford such technology without financial assistance. Such investments must be constant and long term if they are to be effective.

Deforestation also negatively affects the region by reducing biodiversity, intensifying flooding, eroding soil, and reducing rainfall and freshwater reserves, creating conditions favorable to the spread of tropical diseases. By affecting the weather in the hemisphere, deforestation also releases large amounts of carbon dioxide and other gases into the atmosphere, increasing the greenhouse gas effect. While many governments are already making some changes, insecurity from global warming needs to be countered with better regional systems for emergency management and strong regional mitigation programs for greenhouse gases.

Predictions of sea level increases over the next 30 to 50 years present a potential crisis as 60 percent of the Caribbean population currently lives on the coastline. Warming will also affect the agricultural cycles as higher temperatures result in different planting seasons and hence a greater need to import food. Recent food riots in Haiti and demonstrations in Mexico over corn prices illustrate the region's vulnerability to disruptions in its food supply chain and underscore the global nature of food security.

The Role of Foreign Actors

Although the United States still is Latin America's most significant partner, it has been consistently losing ground to other actors. Some countries, such as Canada, Japan, South Korea, and Taiwan, have engaged with the region for a significant amount of

time. Others, particularly China, India, and Russia, have only recently been strengthening ties. Finally, there are new actors with little or no historical presence in the region, namely Iran.

The emergence of these new players can be explained by two factors. First, globalization of the economy has pushed the region to a new level of engagement with a wider range of international players from Asia and the Middle East. Second, Washington's geopolitical attention has been diverted from Latin America as a result of the wars in Afghanistan and Iraq. These events created a political vacuum in the United States, making it difficult to address the challenges in the region. This vacuum allowed room for Hugo Chavez, Evo Morales, and Rafael Correa to undermine the U.S. role in the region. In an international environment of heightened competition for natural resources and market access, excluding the European Union and the United States, China has emerged as the most significant partner, in terms of political exchange, trade flows, and investment. China has assumed a pragmatic approach in its relations with the region and has kept the U.S. Government informed of its actions.

Whether for political or commercial interests, Russia is making a strong comeback in Latin America. In 2006, Chavez met with then-President Vladimir Putin, after the acquisition of 100,000 Russian-made Kalashnikov assault rifles, helicopters, and other weaponry. In January 2007, Moscow and Caracas signed an agreement worth \$15 million to develop Venezuela's natural gas resources. Russia and Brazil have already achieved a strategic partnership agreement, and Russia is said to be considering launching rockets from the Brazilian spaceport of Alcantara.

Ties with Iran are at present mostly symbolic, but they present a challenge to U.S. policy, especially given Washington's limited dialogue with outlier countries in the Middle East. The influence of Islamic extremism is weak in Latin America but could expand given the region's porous borders. While the current risk of terrorism in the region is relatively low, the United States should work with regional allies to ensure that the breeding ground for recruitment is reduced through programs that promote education, good governance, and inclusion in productive economic activities.

To counter the influence of these new partners in Latin America, the United States needs to continue to engage and make determined demonstrations of goodwill, expand trade and investment offers, and support technological and scientific exchanges. How

the United States deals with Iran's engagement in the region will differ from its reaction to the involvement of economic giants such as India and China.

Prospects for Addressing These Issues

If the greatest achievement of post-Cold War Latin America was the expansion of democracy in the hemisphere, with democratic civil-military relations as a cornerstone of that policy, the next decade must build from this base by ensuring that the economic and social problems that dominate the political dialogue are tackled through bilateral and multilat-



AP Images (Javier Galeano)

President Raul Castro and Vice President Juan Almedia Bosque attend Cuba's National Assembly

eral engagement. Transnational threats cannot be controlled by any one state or external actor and will complicate the picture unless the United States and Latin American and Caribbean states agree on threat assessments and build a common agenda of action to address them. Bringing actors together to solve transnational threats will require the integration of civilian, military, and multilateral organizations to ensure a secure and stable environment.

The Cuba Challenge: The Next 4 to 8 Years

Raul Castro, who has been misunderstood and underestimated for decades, replaced his brother Fidel as Cuba's president on February 24, 2008. His official transition into the presidency followed a 19-month period when Raul acted as provisional president after

Fidel was incapacitated following major surgeries. Since then, Fidel has been too impaired to appear in public or play any real leadership role.

There were no reports of unrest or challenges to the new leadership. Many Cubans, weary of Fidel's 49-year reign, seemed in fact to welcome the change. Raul's collegial and reticent leadership style was particularly appealing after decades of Fidel's grandstanding. His admission that Cuba's dire economic problems were largely self-inflicted was refreshingly candid, and the populace knew that the decentralizing solutions he favored to solve them had been unacceptable to his brother. Raul also abandoned *fidelist* orthodoxy by encouraging relatively unfettered discussions about domestic problems and went on to make clear that his priority is to solve them. He is not known to have travelled abroad in several years and has not closely identified himself with foreign policy priorities.

Soon after being confirmed as president, Raul began to address Cuba's internal problems. Implementing limited economic reforms, he appeared to emulate the Chinese reform model of the early 1980s, with the emphasis on providing liberalizing incentives to farmers and workers to spur productivity. He took steps to alleviate popular grievances by allowing Cubans to visit previously off-limits hotels and restaurants and to buy once-forbidden consumer goods. Although these and other innovations improved the lives of relatively few, they tended to elevate popular expectations for more sweeping change.

Raul has also moved away from some of his brother's draconian social policies. Artists and intellectuals have gained space, and homosexuals, mercilessly oppressed in the past, have been allowed to come out into the open. The death penalty has been largely suspended. Movies and other forms of entertainment incompatible with the regime's traditional values have been aired. And a few remarkably irreverent Web sites that appeal to Cuban youth have been allowed to function.

Nevertheless, consistent with the Chinese model of communism, Raul has no plans to dilute the regime's monopoly of political power. As long as he and his followers are in charge, there will be no democratization, and no opening for the small community of dissident and human rights activists. In 2009, however, the carefully planned release of some political prisoners to win relief from the economic embargo is likely. Raul's more pragmatic policies will probably succeed in winning new support for Cuba in Europe and Latin America, possibly further isolating the United States.

Key Strengths and Vulnerabilities

There has never been another Cuban official below Fidel with power and prestige comparable to what Raul has amassed over the years. Through a network of military and communist party allies, some of whom have been his surrogates and friends since the late 1950s, Raul dominates Cuba's three most powerful institutions:

- Raul is still the country's only four-star general. After serving 49 years as defense minister, he named his crony and long-time vice minister, General Julio Casas Regueiro, to succeed him.

- In 1989, Raul also took control of Cuba's second most powerful institution when another of his disciples, General Abelardo Colome Ibarra, was appointed to lead the Ministry of the Interior, which houses all security, police, and intelligence agencies.

- For years Raul has also been the principal force in the communist party, where his intimate friend Jose Ramon Machado Ventura exercises day-to-day leadership. Together, they plan to strengthen the party by holding a long-delayed congress in late 2009.

These institutions, and the men who lead them, will remain the indispensable bulwarks of Raul Castro's government and of whatever regime or regimes follow it over the next 4 to 8 years.

Paradoxically, this leadership team will also increasingly be the regime's greatest vulnerability. Raul's six vice presidents—who also constitute the inner sanctum of the party—are tough old veterans, many of whom have been at his side for 50 years. He depends on these generals and party apparatchiks because they will support and protect him. He knows how they think and perform and is unlikely to be surprised by any of them. Nevertheless, Raul (who turned 78 in June 2009) and his six vice presidents average slightly more than 70 years of age, constituting a safe, plodding, unimaginative gerontocracy that has no appeal to and little legitimacy with the country's younger generations.

Raul's alter ego, Machado Ventura, epitomizes his patron's aversion to bringing younger men into his inner circle (Machado is several months older than Raul). Machado, the first vice president and next after Raul in the line of succession, has almost no standing with the populace. A former medical doctor with only loose connections to the military high command, his reputation is as a stern disciplinarian and austere party bureaucrat. Seemingly, his only qualification is his closeness to Raul.

Among the five other vice presidents, only one—Carlos Lage, who is in his mid 50s—represents the middle generation of leaders. In a system where Lage's generation is underrepresented and the youth are profoundly alienated, there is a real danger in the leadership choices Raul has made.

Many observers outside of Cuba had expected Raul to name a younger man—Lage for example—as first in the line of succession. A pediatrician with considerable top-tier government and party experience, Lage is reputed to favor liberalizing economic reform and is respected by foreign businessmen and



Cuban refugees depart from port of Mariel, Cuba, bound for Key West, Florida, during mass defection granted by President Fidel Castro, April 28, 1980

diplomats. But he may have been too dependent on Fidel rather than Raul for his standing and perhaps somehow antagonized Raul during the years when he appeared to be Cuba's third most influential civilian leader. By insisting on the faithful but predictable Machado as his designated successor, Raul opted for the safest course in the short term, but one that could have dire consequences just a few years in the future. In effect, Raul gambled that cross-generational tensions can be kept under control.

Cuba's Lost Generation

Cuban youth have become notably more restless over the last few years. Students (and former students expelled because of their activism) claim to be traveling across the island, endeavoring to enlist

broader support for their grievances. Some of their professors appear to have allied with them. A new youth-based movement advocating university autonomy, curricular independence, and free speech has attracted a considerable following. A petition to reopen a Catholic university shut down decades ago has been signed by thousands. In February 2008, two university students brazenly challenged a ranking official at an academic forum—an unprecedented act of rebellion.

For some time, Cuban officials have worried openly about the generational divide. In one of his last major speeches, Fidel himself bemoaned the apathy and disassociation of the youth, saying that “the revolution can destroy itself”—a phrase repeated by other leaders and the official media—if the younger generations are not motivated to work enthusiastically for the communist system.

Later, foreign minister Felipe Perez Roque pressed the issue. He complained that alarmingly large numbers of youth (2.5 million in a population of slightly over 11 million) do not identify with the regime’s collectivist mentality. They have little or no appreciation of its myths and legends and, in short, are rejectionist. He described them as constituting two large cohorts who were born or came of age after the demise of the Soviet Union in 1991 and the end of the communist subsidies that plunged the Cuban economy into severe depression. Perez Roque’s essential point was that Cuban youth today have known little but hardship and deprivation.

Raul shares these concerns. Soon after he assumed provisional power, he met with University of Havana students. In a moment of startling identification with their grievances, he encouraged them to debate and criticize the shortcomings they perceive. Later, when assuming the presidency, he said that Cuba has been “permanently opened to free debate.” Then, to clarify his intent, he added that the people must “question everything. . . . The best solutions can come from a profound exchange of differing opinions.”

Earlier, Raul had revealed that about 5 million Cubans had engaged in meetings across the island, encouraged by the regime. Anecdotal reports indicate that many of these meetings devolved into strident griping sessions, as Cubans vented their pent-up frustrations with problems including the broken transportation and housing sectors, the lack of jobs (especially for those with the best education), the decrepit state of most of the country’s infrastructure, and even the once-sacrosanct educational and public health systems.

Raul and his advisors learned from those communal meetings and soon began to address many of the problems identified. However, by encouraging open debate, they have perhaps dangerously raised expectations for more fundamental change and public engagement. They may be opening the floodgates of rising expectations that the political system itself will be loosened or reformed. They may be inadvertently encouraging antiregime mobilizations. Conversely, any retreat from the promises of greater openness might well induce a popular backlash.

A number of possibilities for change lurk in this generational warp. It is unlikely that the alienation of the youth, and the severe economic problems that fuel it, can be significantly ameliorated within the next few years. A deepening and coalescing of youthful unrest, resulting in organized protests and dissent, will therefore be increasingly likely. So far, no identifiable leaders have emerged from the younger generations, but they will be more likely to appear as the current regime leadership ages. Middle generation figures, now in their late 40s and 50s, will also be likely to embrace the grievances of the youth while trying behind the scenes to force radical departures from the communist party dictatorship. A Cuban Gorbachev, inclined to transform or dismantle the old system, could be just a few years from emerging as successor to Raul and his current circle.

Worst-case Scenarios

Any breakdown in command and control within the armed forces would quickly result in widespread, regime-threatening instability. Tensions within the military hierarchy probably run along generational and other fault lines in an institution where top commanders occupying the same positions for many years are now in their 60s, 70s, and 80s. There has never been a younger officer rebellion in the Castro brothers’ armed forces, but the possibility may now be greater than ever before. When Raul selected the colorless and reputedly corrupt General Julio Casas Regueiro to succeed him as defense minister, he may have aggravated underlying animosities and rivalries in the officer corps. Military unity and discipline could also be shattered if large popular demonstrations against the regime broke out. Although police and security personnel would be the first line of defense in that event, military units may also be deployed. In the event that military commanders were ordered to fire on civilians, some commanders would be likely to disobey, possibly sparking internecine conflict between loyalist and rejectionist officers.

The possibility of extensive violence, even civil war, would steadily increase in direct correlation with widening fissures in military command and control. In this case, it would be all but certain that another massive, chaotic seaborne migration to south Florida would ensue as civilians fled unstable conditions and shortages of essential goods. Hundreds of thousands already anxious to migrate to the United States would try to flee on whatever craft might be available. Such a migration could easily exceed the size of the 1980 Mariel boatlift, the largest of three such exoduses that have occurred since 1965, when more than 125,000 Cubans fled. Controlling or deterring such an event with U.S. or any international forces would be unlikely, especially in the early stages.

However, all such previous mass migrations were orchestrated and impelled by Fidel Castro. His successors, now and in the foreseeable future, will be unlikely to take similar action. Raul and his generals would be loath to force another exodus such as Mariel because they know the results would be dangerously destabilizing on the island and could easily become regime-threatening. Thus, if another exodus occurs, it most likely will be the result of regime disarray rather than connivance.

Finally, the possibility of a wrenching succession crisis following Raul's death or incapacitation must be considered. A heavy drinker for many decades, at the age of 78 he probably suffers from serious undisclosed health problems. For years he characteristically has disappeared from public view for weeks, sometimes even months, at a time. It is reasonable to speculate that on at least some of those occasions he was recovering from some health crisis. Given his lifestyle and age, Raul could die suddenly, with almost no warning time for his designated successors to prepare.

The result might well be a chaotic and possibly violent struggle among military, intelligence, and party barons. Machado Ventura, the first vice president, has little or no independent standing with the generals in command of the military and intelligence units. They might or might not agree to recognize him as the Castro brothers' legitimate successor. In either event, a military-dominated regime would likely emerge.

Obviously, given the 4- to 8-year time frame of this analysis, a post-Raul succession seems inevitable. Under almost any conceivable scenario, other than the unlikely sudden disappearance of the communist regime, Cuba's uniformed services and their commanders will dominate its future.

Little is known outside of Cuba about the gener-

als and other senior officers. Thus, it is impossible to estimate with any confidence what policies and priorities they would pursue, how constructively they would be able to collaborate, or where they would turn for external assistance. Similarly, it is nearly impossible to speculate about which commanders would be most likely to emerge dominant after Raul's departure. Cuba's most powerful institution is also the country's most impenetrable.

Securing the Three Borders

The terrorist attacks on September 11, 2001, made it clear that the Atlantic and Pacific Oceans no longer insulate the United States from foreign aggression. It also became clear that an attack on one nation affects the safety, security, economy, and well-being of its neighbors. Hence, new strategies for protecting the country must strengthen its relationships with Canada, Mexico, and The Bahamas in order to meet challenges and common interests.

Before 9/11

The Atlantic and Pacific maritime approaches to North America have been controlled by the U.S. Navy in coordination with the Canadian Maritime Forces since 1940. As members of the North Atlantic Treaty Organization (NATO) and the North American Aerospace Defense Command (NORAD), the United States and Canada had a common doctrine and often trained or operated together in land, sea, and air domains. NORAD, a unique binational command created in 1958, planned and coordinated air sovereignty and aerospace defense missions against strategic threats from the command center in Cheyenne Mountain, Colorado. After the fall of the Berlin Wall, the end of the Cold War, and the liberation of Kuwait in 1991, the United States and Canada had settled into a passive defense and security posture, in part due to the perception of a peace dividend that resulted in reduced military spending throughout the 1990s.

The Commonwealth of The Bahamas cooperates extensively with the United States on counternarcotics interdiction measures. These include participation in Operation *Bahamas and Turks and Caicos* (OP-BAT), which targets drug trafficking organizations transiting Bahamian territorial waters. As a maritime state, the Royal Bahamas Defence Force coordinates extensively with the U.S. Coast Guard and Navy.

In contrast to the Canada-U.S. alliance and The Bahamas-U.S. cooperative partnership, the Mexico-U.S. defense and security relationship before 9/11

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Working with Mexico

Mexico is suffering a crisis of public safety that the United States cannot minimize. Murders, organized kidnappings, and corruption rates have reached some of the highest levels in the world. Mexico's government is locked in a violent struggle against powerful drug cartels that are also fighting each other for control of territory, resources, and manpower. The United States is the largest consumer of illegal drugs and the main source of the cartels' high-powered weapons and kit. It also is beginning to suffer some spillover from the violence. The Bush administration accepted some shared responsibility for Mexico's crisis and, in October 2007, jointly announced the 3-year, \$1.4-billion Mérida Initiative (including a small Central American portion) as a new kind of partnership to maximize the efforts against drug, human, and weapons trafficking.

As the level of violence along the U.S.-Mexico border has become sufficiently threatening, President Barack Obama has asked the Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, to review how Washington might do more to help Mexico's forces. But by only looking south, we ignore the seeds of a future domestic problem that have been planted here. If Mexican and other Latin American narcogangs continue to grow in scope and power within our country, they may become the next-generation irregular challenge to the joint force. The United States and Mexico must find ways to perfect cooperation in the near term and confront a shared security problem together.

Mexico's level of violence escalated in 2008 with nearly 6,300 people killed—many of them tortured and mutilated—up from 2,700 in 2007. The bloodshed and intimidation carried out with impunity suggest that the cartels have sometimes had the upper hand, particularly in the borderlands. In the United States, the gravity of Mexico's situation had little effect on the first tranche of the Mérida Initiative. The package of equipment, software, and technical assistance moved slowly through a reluctant U.S. Congress, where the funding request was reduced significantly and several conditions were imposed. There were few signs of urgency.

These circumstances raise several important questions. Should relations with Mexico be higher on President Obama's foreign policy agenda? How should the administration manifest its commitment to this neighbor, which not only shares intimate ties but also harbors memories of unfair treatment? Are there more meaningful and deeper ways to cooperate in addressing a common problem? Will Washington maintain sta-

tus quo commitment to Mérida while concentrating on preventing drug-related violence from spilling across the border? Will Mexico be driven to a level of national desperation that will force it to undertake long-term reforms to improve government performance and ties with the general population?

The crisis has deep roots. In the 1980s and 1990s, successive governments tended to pursue a "live and let live" response to lucrative, brutal, and well-organized regional cartels. Because they provoked violence, jeopardizing public safety, direct confrontations were minimized. With the demise of Colombia's main syndicates in the mid-1990s, Mexican "families," which had worked for the Colombians, took control of domestic drug trafficking. By the end of the decade, higher cocaine flows from Colombia led President Ernesto Zedillo of the Institutional Revolutionary Party to collaborate more aggressively with the United States.

The historic presidential victory of Vicente Fox and his center-right National Action Party (PAN) coincided with dramatic increases in narcotics-related violence. During his administration, drug cartels added profitable methamphetamine and heroin to the more traditional cocaine and marijuana they smuggled in bulk into the United States. New markets appeared in Europe and Mexico itself. The expanding narcotics trade encountered stronger U.S. resistance in the post-9/11 era. Washington's focus on securing the country from terrorists and illegal immigrants resulted in the construction of barriers along the 2,000-mile border with Mexico and more technology and law enforcement personnel to secure it.

Difficulty moving their product into the United States led to a vicious war within and among cartels for control of corridors and local domination of Mexican markets. This clash introduced ruthless militarized gunmen such as Los Zetas, manned with former members of the Mexican and Guatemalan army. President Fox tried unsuccessfully over 6 years to purge and reorganize federal police forces and rein in organized crime, extraditing captured kingpins to the United States. Urban and rural instability escalated sharply, and a general climate of lawlessness encouraged more kidnappings and other types of criminal enterprise.

Felipe Calderón, also from the PAN, succeeded Fox in 2006. Although Mexican military units lacked the necessary training, President Calderón declared war on drug traffickers by committing the loyal armed forces—using more than 45,000 soldiers—in a series

of large-scale operations intended initially to restore public order in murder-wracked Ciudad Juárez, Tijuana, and other cities in northern Mexico. It quickly became apparent that the president actually was fighting to reassert state control over cartel-dominated areas. His ability to sustain government presence will be crucial until programs to improve military capabilities and reform the police at all levels can be accomplished.

The Calderón administration faces formidable obstacles to ending Mexico's fragmented sovereignty and regaining public confidence. The extent of drug-related corruption across government, especially in local police forces, far exceeds even pessimistic expectations. The sophistication of the criminal groups with their state-of-the-art military weapons and equipment—much of it smuggled from the United States—often outclasses the Mexican military. Furthermore, the cartels use kidnapping, brutality, and other forms of psychological intimidation effectively. Some community political and business leaders have left their positions or moved their families to the United States.

The seriousness of Mexico's insecurity was captured in the February 2009 State Department travel advisory for Mexico:

Some recent Mexican army and police confrontations with drug cartels have resembled small-unit combat, with cartels employing automatic weapons and grenades. Large firefights have taken place in many towns and cities across Mexico, but most recently in northern Mexico. . . . During some of these incidents, U.S. citizens have been trapped.

Ironically, the advisory appeared as Mexico's tourism industry reported that in 2008, 22.6 million foreign visitors, the majority from the United States, spent \$13.3 billion, an increase of 3.4 percent over the previous year.

As the crisis intensifies in Mexico, Americans are not immune from cartel violence and corruption. Mexican

ties to U.S. organized crime groups have long been established. Major Mexican syndicates are now thought to be present in at least 230 American cities. Over the last 2 years, U.S. multiagency counternarcotics task forces have arrested more than 750 members of the Sinaloa cartel's distribution network and 500 from the Gulf cartel. Police link recent assassinations and mass graves in Arizona and New Mexico to the cartels. Phoenix is now ranked the second worst place for kidnapping globally, after Mexico City: 359 kidnappings took place there in 2008, all of them linked to trafficking. The feared spillover of Mexican narcotics-related violence has, in fact, taken place—and is getting worse. Alarm bells are ringing, but a U.S. strategic game plan has yet to emerge.

Despite a prickly past and many differences, the United States and Mexico are interdependent, and they formalized that relationship with the North American Free Trade Agreement. Our border is the historic face of this complex relationship. With its network of power plants and transmission lines, gas and oil pipelines, and linked highway and rail systems, the borderland is strikingly vibrant and productive. There is a constant flow of people and vehicles in the millions. Beyond the border, the realization of greater mutual understanding, and an enhanced and trusting relationship, is a work in slow motion.

This raises additional and substantial strategic and policy questions. What are American objectives? The Mérida Initiative can be reduced to assistance and cooperation, but to what end? How far is Washington willing to go to reduce the American demand for drugs, curtail arms smuggling south, exchange intelligence, and work with Mexico (and Central American states) to attack the cartels' supply link to South America? Is integrated sea and air control over the approaches to North America feasible? In turn, how far is Mexico City willing to go to work intimately with its neighbor to the north, from whom Mexico traditionally has sought to remain independent?

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was distant and noncommitted. Mexico's traditional foreign policy, articulated as the Estrada Doctrine, favored nonintervention in the affairs of other nations. This doctrine was legitimized by article 76 of the Mexican constitution, which empowered the senate to authorize Mexican troops to leave the limits of the country, permitted the passage of foreign troops through national territory, and allowed the stationing of task forces of other powers (for more

than a month) in Mexican waters. Even if there was a desire to coordinate with foreign powers, the Senate represented a significant impediment.

In addition to different relationships between the United States and the three border nations, the military organizations of all four nations were organized differently. Since 1986, the United States had a geographic combatant command system wherein a single commander had combatant command of land, sea, and air forces in overseas theaters. Yet the

defense of the United States was not assigned to a single geographic combatant command. NORAD focused on air sovereignty and aerospace defense, U.S. Joint Forces Command on maritime defense in the Atlantic, U.S. Pacific Command on maritime defense in the Pacific, and U.S. Army Forces Command on land defense. In Canada, commander, NORAD, commander, Land Forces Command, and commander, Maritime Command, had similar responsibilities for their environments or armed services. The United States and Canada continued to focus on external threats in other theaters.

The Royal Bahamas Defence Force was a naval force with a coastal focus similar to the U.S. Coast Guard. The Defence Act tasks the force to defend The Bahamas, protect its territorial integrity, patrol its waters, provide assistance and relief in times of disaster, maintain order in conjunction with the law enforcement agencies of The Bahamas, and carry out any such duties as determined by the National Security Council.

The Mexican armed forces consist of the Secretariat of National Defense (the army and air force) and the Secretariat of the Navy. The secretariats provide land, sea, and air defense of Mexico, and as required provide defense support to civil authorities in the aftermath of natural disasters. Both organizations have designated geographic regions for their subordinate commands.

Relationships between nations are formalized through the negotiation and approval of treaties and agreements. The number and type of bilateral treaties or agreements in force are key indicators of the maturity of diplomatic relationships between two nations. Starting with the Rush-Baggot Treaty of

1817, Canada and the United States have had a long, cooperative relationship. According to the U.S. State Department, the United States has 42 bilateral agreements with The Bahamas, 205 formal agreements with Mexico, and 252 nation-to-nation agreements with Canada in addition to over 200 Canada-U.S. military-to-military agreements.

As reflected in the table on page 353, the number of defense agreements with Canada and The Bahamas is significant, whereas those with Mexico on defense are much less so (only 5 percent). The majority of agreements with Mexico focus on narcotics. Although all four neighbors are members of the United Nations and the Organization of American States, U.S. relationships with Mexico did not rise to the level of cooperation with The Bahamas and binational interoperability with Canada. During the 1990s, a common threat perception did not stimulate increased diplomacy, military outreach, engagement, or spending among these four nations.

After 9/11

On September 11, a Canadian general officer heading NORAD scrambled U.S. fighters to respond to the aviation threat. On that same day, all civilian flights were grounded and the Canadian people took thousands of stranded travelers into their homes. The day after the attacks, NATO leadership implemented Article 5, which states that an armed attack against one member shall be considered an attack against them all.

On October 7, 2001, the United States and Great Britain initiated Operation *Enduring Freedom*, launch-

U.S. Navy (lav C. Pugh)



Canadian transport delivers Hurricane Katrina relief supplies to Naval Air Station Pensacola, Florida

ing attacks against the Taliban and al Qaeda. Canadian forces began deployments to Afghanistan in January and February 2002 and continued NORAD flights in support of Operation *Noble Eagle*. In addition to military deployments and operations, on December 12, the governments completed the Canada-U.S. Smart Border Declaration, initiating a 30-point action plan to secure the flow of people and goods. For example, Integrated Border and Marine Enforcement Teams were expanded to other areas of the border to enhance communication and coordination.

Mexican President Vicente Fox expressed empathy for the victims of 9/11 and rejected all forms of violence and terrorism. By March 2002, the governments completed the U.S.-Mexico Border Partnership Action Plan that outlined 22 points to secure infrastructure as well as the flow of people and goods. However, within a year, relations between the United States and Mexico were strained because of a recession that affected the economies of both nations and rising anti-immigration sentiments in the United States. In addition, the lack of tangible support for Operation *Enduring Freedom* and withdrawal from the mutual defense portion of the Rio Treaty in 2002 created negative perceptions of Mexico.

Meanwhile, the General Assembly of the OAS met in Peru on September 11 and within 10 days labeled 9/11 as an attack against all American states. However, The Bahamas, CARICOM, and other members of the Rio Treaty did not provide military support to allied operations in Afghanistan. As a result of the attacks, The Bahamas and CARICOM experienced an economic downturn as decreases in the tourism industry were fueled in part by a fear of flying and new travel restrictions. Unlike the Smart Border initiatives undertaken with Canada and Mexico, the U.S. administration did not attempt to negotiate a similar agreement with The Bahamas or other Caribbean nations. This eventually led to accusations that the United States turned its back on the Caribbean after 9/11.

Two years after the 9/11 attacks, the OAS convened a special conference on security in Mexico City; that conclave affirmed the commitment to promoting and strengthening peace and security in the Western Hemisphere. Adopted on October 28, 2003, the Declaration on Security in the Americas recognized that the states of the Western Hemisphere have different perspectives regarding security threats and priorities. Despite these differences, the declaration achieved a consensus that threats to the Western Hemisphere include terrorism, transnational organized crime, the global drug problem, corruption, asset laundering, illicit trafficking in weapons, and the connections among the aforementioned threats, as well as the possibility of acquisition, possession, and use of weapons of mass destruction and their means of delivery by terrorists.

The conference members acknowledged the responsibilities of the OAS, inter-American, and international forces to develop cooperation mechanisms to address these new threats, concerns, and other challenges based on applicable instruments and mechanisms. Still, the instruments and mechanisms were not well defined.

In addition, the special conference on security occurred 6 months after the March 20, 2003, launch of Operation *Iraqi Freedom*. After 18 months of combat operations in Afghanistan, the United States and allies invaded Iraq to the dismay of all three neighboring governments. Although Canada continued to support combat operations in Afghanistan, Prime Minister Jean Chretien refused to support the Iraq invasion without a clear connection between Saddam Hussein and terrorism. President Vicente Fox of Mexico was against an Iraq invasion without UN Security Council affirmation; and The Bahamas and the majority of Caribbean states failed to support the Bush administration's call for war with Iraq. In 2003, the perceived relationships between the United States and its three neighbors sank to a new nadir.

U.S.–Western Hemisphere Agreements

	Total Agreements	Defense	Percent	Narcotics	Percent
Canada–U.S.	252	67	27	0	0
Mexico–U.S.	205	5	2	44	21
The Bahamas–U.S.	42	16	38	3	7

New Initiatives and Accomplishments

The strained relationship between the United States and its three closest neighbors continued for about 2 years after the invasion of Iraq. Behind the scenes, diplomats from Canada, Mexico, and the United States had been negotiating to improve cooperation on economic and security issues. On March 23, 2005, the Security and Prosperity Partnership of North America initiated cooperative approaches to:

- secure North America from external threats
- prevent and respond to threats within North America
- streamline the secure and efficient movement of legitimate and low-risk traffic across shared borders
- promote economic growth.

Based on the principle that security and prosperity are mutually dependent, the Security and Prosperity Partnership was the mechanism that facilitated open and frank discussions among government agencies of the three North American Free Trade Agreement partners. The Bahamas and Caribbean Community were not included.

While the U.S. Department of Defense, Canadian Department of National Defence, and the Mexican Secretariat of National Defense are not lead agencies for any partnership initiatives, some progress has been made to enhance military-to-military relations. The United States and Canada created a binational planning group in 2002, which served as a catalyst for enhanced military cooperation. Its effects were multiple:

- Canada and the United States renewed the NORAD Agreement (2006) expanding the aerospace defense mission to include maritime warning.
- The Chief of Defence Staff and Chairman of the Joint Chiefs of Staff approved a Basic Defense Document (2006) that identified areas of cooperation.
- Commanders of U.S. Northern Command (USNORTHCOM) and Canada Command approved a Civil Assistance Plan (2008) to provide guidance for military-to-military assistance to civil agencies in the event of disasters.
- NORAD, USNORTHCOM, and Canada Command completed significant work in binational homeland defense and homeland security exercise planning and execution in order to enhance seamless interoperability among staffs, subordinate commands, and over 30 federal agencies.

In September 2005, Mexican armed forces provided immediate assistance to victims of Hurricane Katrina, creating significant goodwill between both nations. However, defense-to-defense contacts between Mexico and the United States progressed slowly until the election of President Felipe Calderon in December 2006. He was the catalyst for enhanced Mexico-U.S. relationships, encouraging his Secretary of National Defense and Secretary of the Navy to reach out to their American counterparts. In February 2007, Mexico provided USNORTHCOM with a naval liaison officer, who has been invaluable in coordination with the Mexican armed forces. In addition, the commander of NORAD and USNORTHCOM has hosted more than 100 distinguished visitors from Mexico for information exchanges, including discussions of how to respond to pandemic influenza.

In 2007, the government of The Bahamas and the U.S. Government launched Operation *Enduring Friendship* to enhance bilateral security and increase capabilities against illicit activities. Recognizing that security vulnerabilities in The Bahamas contribute to vulnerabilities in the United States, *Enduring Friendship* was created to counter illegal drugs, illegal immigrants, or terrorists attempting to traverse The Bahamas' vast marine expanse. *Enduring Friendship* security assistance provides The Bahamas with four 43-foot Interceptor Nor-Tech boats, designed for speed and maneuverability in both the ocean and shallow water, and associated support. The *Enduring Friendship* security assistance initiative also provides much-needed equipment to support the OPBAT work of the Royal Bahamas Defence Force, whether that work is search and rescue or interception of illegal poachers, illegal migration, or drug trafficking.

The Way Ahead

President Bush did not submit the Security and Prosperity Partnership to the U.S. Senate for treaty approval as required by the U.S. Constitution. Consequently, many partnership initiatives continue at the discretion of the sitting administration. Foreign Affairs Canada and the U.S. Department of State would do well to develop a Comprehensive Defence and Security Agreement for approval by the prime minister and the President and ratification by the U.S. Senate. This would provide the needed political vision, legal authority, and overarching guidance for continuous improvement in defense and security on our northern border. In addition, unresolved issues such as the Northwest Passage and ballistic missile defense should not be ignored.

Despite similar culture and customs with other Caribbean Community nations, The Bahamas shares a special relationship with the United States due to geographic proximity and shared concerns about common threats. Therefore, The Bahamas should be invited to participate in bilateral defense and security talks that are focused upon enhanced cooperation against air and maritime threats. The Bahamas and the United States should consider a NORAD-like agreement to establish a binational air and maritime command that ensures seamless information-sharing and synchronized operations against common threats. The Canada-U.S. relationship should serve as this model of interoperability.

The Mexican armed forces once eschewed coordination or cooperation with the U.S. defense establishment. However, senior leaders from Mexico have significantly increased contact and coordination with USNORTHCOM over the past 2 years. Although it may be premature to expect cooperation in homeland defense, bilateral cooperation in air and maritime surveillance and warning against external threats would not raise sovereignty concerns. In addition, the potential exists for cooperation between USNORTHCOM and the Mexican armed forces in bilateral military assistance to civil authorities along our shared border to save lives, prevent human suffering, and mitigate damage to public property.

The OAS gathering in Mexico in October 2008 discussed the Western Hemisphere's security challenges and concluded with the signing of a regional security declaration that aims to improve police education and coordination between law enforcement and other security authorities that combat organized crime. The current U.S. administration must recognize that sovereign neighbors require separate and unique approaches to defense and security relationships. A focus on synchronization, not integration, is the key to accomplishing mutually beneficial goals without violating sovereignty concerns. Following through on this regional security declaration, with coordination and cooperation among all four neighbors, will close gaps and seams currently exploited by transnational threats and drug trafficking organizations.

Responding to the Region's Challenges and Opportunities

Understanding current and past U.S. actions in the Americas requires differentiating between the major challenges facing Latin America and the Caribbean nations and those facing the United States as it loses influence and has to compete with other American

and external powers. Brazil, Venezuela, Russia, and China (as well as increasingly influential regional associations such as CARICOM and UNASUR) have demonstrated that the United States no longer enjoys hegemony in the region. The successful pursuit of interests in a peaceful and stable region will require Washington to find more effective strategies for dealing with the root causes and not just the symptoms of uneven development.

A series of commanders at the U.S. Southern Command, for example, have summarized the region's core challenge in one word: poverty. Combined with a number of pervasive underlying conditions including longstanding social inequities, uneven economic progress, the inequitable distribution of wealth, and significant levels of corruption, the environment for constructive development is inhospitable. Poverty is a key issue, but it is the result of broader developmental shortcomings that directly affect the ability of central governments to protect their citizens. Violent criminal organizations, including gangs and groups engaged in illegal trafficking, take advantage of the region's patchy development to threaten both government operations and human security. The U.S. Government—using its diplomatic, military, developmental, and other instruments of policy—must find cooperative ways to help Latin American and Caribbean governments as they try



UN (Stephen Koh)

Venezuelan President Hugo Chávez addresses UN General Assembly

to correct the major problems related to uneven development. These issues include promoting development, tamping down anti-Americanism, improving civil-military relations, and stemming narcotics trafficking.

Major Issues Related to the Challenge

Development. Most countries in the Americas face the longstanding challenge of uneven development—both domestically and regionally—across political, social, economic, and judicial dimensions. Reversing this trend is a daunting task, but its resolution is imperative for the region to enjoy greater stability and prosperity. The unrepresentative nature of many governments, the character of the economic markets, the inefficiency and corruption of the justice systems, and weak governance contribute to a number of associated security threats including domestic crime and violence as well as transnational criminal networks. Organized crime, gangs, ungoverned spaces, terrorism—both imported and homegrown and related to narcotics—and the trafficking of drugs, persons, and small arms are the effect of an inability of national governments to provide an environment in which democracy thrives, the economy produces both wealth and jobs, and the rule of law pervades. By negotiating and ratifying free trade agreements, including those currently in progress with Colombia and Panama, the United States has an opportunity to assist Latin American and Caribbean governments in their efforts to create stable economies with adequate employment opportunities for their citizens.

Anti-Americanism. The spread of anti-Americanism in the Americas has become a key U.S. concern. The growing wave of populist leaders in Latin America, led by Hugo Chavez and his “21st-century socialism,” needs an adversary to succeed. Chavez and his acolytes look outward for a convenient target of blame for their country’s economic, social, and political problems. The United States, which is characterized as having a foreign policy of either bullying its neighbors or neglecting the region, is the perfect scapegoat. For those countries with serious internal challenges—Bolivia, Ecuador, and Nicaragua—the idea of socialism for the 21st century, and its associated anti-Americanism, is not without some appeal.

The United States cannot afford to stand idly by, but neither can it overreact aggressively against Chavez and his supporters. Instead, Washington must walk a fine line between engagement with sectors of societies that are in opposition to the government and unintentionally legitimizing the

anti-American leaders. Among the positive first steps the United States can take toward improving its relationship with neighbors is to admit mistakes when they have been made. For instance, Secretary of State Condoleezza Rice said that the United States was “shooting ourselves in the foot” by pressuring governments to grant immunity to American Servicemembers (by bilaterally waiving Article 98 of the Rome Statute of the International Criminal Court or risk losing U.S. military assistance). Washington would be wise to continue to move away from similar coercive measures and put forward positive initiatives for the region based on a more subtle use of U.S. soft power.

Civil-Military Relations. To help states consolidate their control over national territory and protect their citizens, the Obama administration will have to work closely with public security and military forces. Such an approach can assist in creating a more secure environment conducive to social and economic development. However, this approach will also raise concerns about the condition of national civil-military relations in various countries of the region. This developmental challenge actually has seen positive, albeit uneven, improvement in the Americas. The attraction and prevalence of military-based authoritarian regimes faded after World War II. By the 1990s, democratically elected civilians governed in most Latin American and Caribbean nations. The past 15 years have seen a further deepening of civilian authority over armed forces, which has largely been accepted. Nonetheless, the continuing need to overcome past distrust between civilians and military officials will require much more time and effort from both sides. The United States can help by continuing to serve as an example of productive civil-military relations and provide ideas for the integration of both civilian and military efforts facing domestic and international security challenges. Education is the key to strengthening this fundamental relationship. The United States could benefit from increasing funding of International Military Education and Training (IMET) programs, which can be used by government and nongovernment civilians as well as military personnel. Latin American and Caribbean ministries of defense also must make better use of these programs, rather than limiting IMET to military personnel.

Narco-trafficking. Narcotics trafficking is a serious security challenge affecting most countries in the Americas. This criminal business recognizes the significant importance of demand—for which the

Alliances, Treaties, and Trading Communities of the Western Hemisphere

Political

ALBA - (Alternativa Bolivariana para los Pueblos de Nuestra America, or Bolivarian Alternative for Latin America)

ALBA was launched in Havana, Cuba, in 2005 within the framework of the Hemispheric Social Alliance. ALBA challenges the hegemony of neoliberal integration; it is a deliberate response to the proposed Free Trade Area of the Americas and its focus on the market as the source of efficiency and economic growth and prosperity. ALBA is defined as a form of integration that places at its center the fight against poverty and exclusion through social reform.

- Cuba
- Venezuela
- Nicaragua
- Bolivia
- Honduras
- Dominica
- Grenada
- Guyana
- Jamaica
- Nicaragua
- Suriname
- St. Lucia
- St. Kitts and Nevis
- Saint Vincent and the Grenadines
- Haiti
- Honduras
- Guatemala
- Venezuela

PetroCaribe

This Caribbean oil alliance with Venezuela to purchase oil on conditions of preferential payment was launched in June 2005. The payment system allows for a few nations to buy oil on market value, but only a certain amount is needed up front; the remainder can be paid through a 25-year financing agreement at 1 percent interest.

- Cuba
- Dominican Republic
- Antigua and Barbuda
- The Bahamas
- Belize
- Dominica

PetroSur

PetroSur, a political and commercial company promoted by the Bolivarian Republic of Venezuela with the support of other governments of the region, is directed to establish cooperation and integration mechanisms under the basis of complementarity and is called to use, fairly and democratically, the energy resources for the socio-economic improvement of the region.

- Venezuela
- Brazil
- Argentina

PetroAndina

The company, organized as a private company in July 2003 to search for, develop, and produce hydrocarbons in the Southern Cone of South America, has focused its activities in the Neuquen Basin of Argentina and conducts operations from its office in Buenos Aires. It is headquartered in Calgary, Canada.

- Bolivia
- Colombia
- Ecuador
- Peru
- Venezuela

Economic

NAFTA (North America Free Trade Agreement)

This trilateral trade bloc in North America was created by the governments of the United States, Canada, and Mexico.

- Canada
- Mexico
- United States

CAFTA-DR - (Central America-Dominican Republic-United States Free Trade Agreement)

The agreement was designed to eliminate tariffs and trade barriers and expand regional opportunities for workers, manufacturers, consumers, farmers, ranchers, and service providers.

- Costa Rica
- El Salvador
- Guatemala
- Honduras
- Nicaragua
- Dominican Republic
- United States

Mercosur - (Mercado Común del Sur)

The agreement was established by the Treaty of Asunción in March 1991 and took effect on December 31, 1994. Its purpose was to set up a common market and eliminate trade barriers among the signatory parties.

- Brazil
- Argentina
- Paraguay
- Uruguay

Andean Community - (Comunidad Andina de Naciones)

This community is formed of four countries that voluntarily joined to achieve more rapid, better balanced, and more autonomous development through Andean, South American, and Latin American integration.

- Bolivia
- Colombia
- Ecuador
- Peru



United States is largely responsible—as well as the need for the cultivation, production, and smuggling of illegal substances. The ease with which cartels operate reflects the region’s institutional weaknesses. Many governments lack adequate security forces to deter narco-trafficking. Fragile economies are unable to produce sufficient employment and prosperity, leaving farmers few options for supporting their families other than cultivating poppy and coca. Furthermore, judicial systems are often overwhelmed, institutionally weak, or too corrupt to function effectively. Finally, societies themselves have begun to disintegrate, unable to escape the crisis of public order as murders, organized kidnappings, local crime, and corruption mount. With safety deteriorating and the government unable or unwilling to respond, a mix of fear and cynical indifference seizes control of people’s lives. The United States has an opportunity to play an active role by implementing broad-reaching, collaborative programs, such as the recent Merida Initiative, to address the multitude of factors that facilitate narcotics trafficking.

Creating Opportunities

While the United States has lost influence in the Western Hemisphere and Washington’s leadership is being challenged, Latin America and the Caribbean do not present a completely negative setting for U.S. security and prosperity. On the contrary, many countries have made considerable headway invigorating economic growth, diminishing poverty and inequality, empowering people, deepening democratic roots, and playing responsible roles on the international stage. The fact that Brazil and Mexico are emerging global players does not challenge Washington, nor does Hugo Chavez’s brand of radical populism, which most Latin American states have not adopted. In many ways the region presents a positive strategic environment. The issue the United States must address concerns its willingness to adapt to the region-wide sea change taking place in the Americas in order to advance its agenda. Is Washington inclined to redefine its role, build trust with neighbors, and become a partner of choice?

There are things that only states can do together to deal with manmade and natural problems they cannot solve alone. For the foreseeable future, partnership in the international system is less optional than imperative, but close collaboration is not an automatic step for any country, particularly one with the power and tradition of the United States. Its path to partnership necessitates creating the

conditions needed to move forward. The first hurdle is overcoming society’s isolationist tendency already visible in debates about immigration and foreign trade and construction of a fence along the border with Mexico. The way ahead also involves reshaping longstanding U.S. concepts and approaches. The patronizing U.S. attitude that only the United States can tutor, provide assistance, and in many ways guide the region’s “developing states” persists in many official corridors. This mindset disregards the interests and sensitivities of other states. While anti-Americanism and global economic trends have given many Latin American and Caribbean nations real autonomy in world affairs, this attitude presents a serious obstacle for the United States.

The traditional minimalist U.S. approach to involvement in the hemisphere stitches together a series of country and functional policies. The United States often treats its southern neighbors as if they were united beyond geography and history and a patchwork of common policies could fit all. This will not work today as a basis for regional cooperation. Washington should disaggregate for policy purposes highly diverse Latin American and Caribbean nations, forcing officials to think about and act separately toward individual states and subregional communities.

Without attention to geostrategic perspectives, the U.S. approach deals with subregional groups of countries as collections of bilateral contacts when what is needed are comprehensive, holistic views that draw attention to important policy and planning considerations, such as the nature of political and public security relationships among countries, lines of communication for legal and illegal commerce, and the influence of the zone’s geography on land, sea, and air movement. For subregional cooperation to be effective, it needs a comprehensive, unified strategic concept for that area to guide operations, set the direction for programs to strengthen national capacities, and build confidence and mutual trust.

The framework of a new U.S. strategic approach to the Americas should be built on a foundation of three values: respect for the views and sensitivities of other states; a willingness to work with states either individually or as communities in reciprocal ways; and a careful focus on nurturing trust. The structure itself should comprise ways to go about cooperating with Latin American and Caribbean countries or subregional groups. Two potential opportunities, which draw upon the Defense Department’s interactive capabilities, include the management of disaster response and joining regional peacekeeping

operations. The first opportunity, discussed at the September 2008 Conference of Defense Ministers of the Americas, would involve U.S. participation on a military working group in support of civilian relief agencies and organizations. The aim would be to standardize protocols for the use of the region's military assets to improve communication, coordination, planning, and training for mutual responses to natural or manmade disasters. The second opportunity envisions offering to participate in MINUSTAH. Commanded by a Brazilian, this heavily Latin American peace operation is an important new feature in the region's military collaboration. The U.S. participation consists of 3 military and 49 civilian police. The offer of engineer or medical unit augmentation to MINUSTAH to assist Haiti's painstaking recovery after three hurricanes could demonstrate U.S. willingness to join an existing Latin American force.

The complex challenges facing the Americas cannot be resolved by military means. Moreover, the United States no longer has the political capital or the influence in the Americas to act unilaterally in confronting the challenges facing the region. Instead, a new administration in Washington must be willing to find ways to work collaboratively with partners in order to help them address both their immediate issues and the underlying development problems that provide fertile ground for today's and tomorrow's threats to regional security and stability. [gsa](#)

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