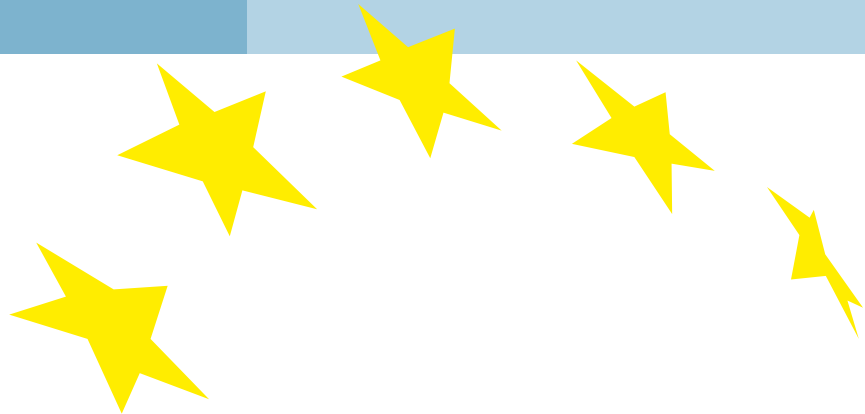


# Are we losing Latin America? An analysis of US and EU policy

Transatlantic Thinkers



## TRANSATLANTIC THINKERS, PART 3

The transatlantic relationship is not over, as has sometimes been suggested in recent years – but it has changed. There is still consensus in Europe and the US that the urgent global challenges confronting us today can only be met in a joint effort. The goal is to identify specific fields for strategic cooperation and formulate effective and coherent policy options towards them.

The Bertelsmann Stiftung aims to help in this process. As part of its long-standing project work on “Europe’s Global Responsibilities”, it has made a major effort to foster transatlantic ties. One of the measures taken is the annual “**Brussels Forum**”, an initiative launched jointly with the main organizer German Marshall Fund, Daimler-Chrysler, Monitor, Fortis and the Belgian government, which aims to bring together the best and the brightest from the spheres of politics, industry, and ideas on both sides of the Atlantic.

In the run-up to this major event in late April 2007, we would like to outline the main opportunities for a common transatlantic agenda.

**Our new paper series “Transatlantic Thinkers”** provides a fresh perspective on these opportunities, touching upon topics such as energy security, climate change, civil liberties in an age of terror, trade relations and many others. These short papers are “mind-challenging” in the best possible sense – sharp, precise and provocative. Often, we will form “Transatlantic Doubles”, pairing up prominent voices from both sides of the Atlantic to collaborate on one issue.

In the third part of our series, **Peter H. Smith** – Distinguished Professor of Political Science and Simon Bolivar Professor of Latin American Studies at the University of California, San Diego – delivers a comprehensive analysis of current developments in Latin America, including the rise of a new populism and the transition periods in highly symbolic countries such as Cuba. He then examines the approaches taken by the EU and the US towards the region over the past years and comes to a sobering assessment. Finally, Smith delivers pointed recommendations on how to reengage Latin America in a common transatlantic effort.

## Are we losing Latin America? An analysis of US and EU policy

Peter H. Smith\*

“The problem with U.S. policy toward Latin America... is that it does not reflect strategic considerations. Politicians do not realize the extent to which U.S. interests are at stake in the region.”

*Arturo Valenzuela, former U.S. official*

“The European Union and Latin America are natural partners in reaping the benefits of economic globalization.”

*Benita Ferrero-Waldner, EU official*

Latin America has become an ideological battleground. In the name of democratic stability, Mexico and other countries advocate neoliberal economic policy, close ties with the United States, and gradual social reform. In the name of social justice, Venezuela and its allies espouse statist economics, virulent anti-Americanism, and revolutionary social change. As Jorge Castañeda has remarked, “these two sides are fighting over the soul of Latin America...” Nations such as Chile and Brazil attempt to stand above the fray.

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In the meantime, Latin America confronts three possible outcomes: sliding toward the right, slipping to the left, or remaining deeply divided.

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How can outside powers affect the future of Latin America? What has the United States been doing, and what might Europe do? Can the USA and the EU collaborate in this area?

To address such questions, this paper unfolds in the following ways:

1. overview of recent developments in Latin America
  2. an assessment of Latin America’s strategic importance
  3. a review of U.S. policy toward Latin America, including the recent visit by President Bush
  4. a review of European policies
  5. an analysis of key issues on the near horizon
  6. reflections for the future.
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## OVERVIEW OF LATIN AMERICA

### 1. Overview of Latin America

Five trends characterize contemporary Latin America.

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One is a revival of economic growth. From 2000 through 2003, regional growth hovered near zero; over the last three years, Latin America has posted growth rates of 5.9 percent, 4.5 percent, and 5.3 percent.

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Problems nonetheless remain. First, this spurt came after many years of growing popular disenchantment – disenchantment with the Washington Consensus, with the process of globalization, and with economic linkages to the United States. Second, the turnaround of 2004-05 resulted mainly from growing demand for raw materials and agricultural goods, especially in Asia. It reflects “growth without development.” Third, the levels of growth are still inadequate – to meet its social challenges, Latin America requires growth rates of 6 percent or more. And to make things worse, there is little sign that windfalls from this bonanza are being effectively used to combat longstanding problems of poverty and inequality.

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Second, free and fair elections are commonplace. All but two or three countries qualify as political democracies. It has become possible for the “left” to win presidential elections.

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Ironically, this development has provided democratic leaders with a protective shield against the United States. However strenuously the Bush administration might object to policy stances or public statements, it cannot overthrow a freely elected government without incurring substantial political costs.

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Third, distaste for the United States has reached historic levels. Only seven out of 34 nations of Latin America supported the U.S. action in Iraq in 2003.

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Among these countries, six – Central America plus the Dominican Republic – were involved in FTA negotiations with the United States; the seventh, Colombia, was receiving more than \$600 million per year in U.S. military aid. Moreover, Latin Americans have expressed increasing disapproval of American society. Between 2000 and 2004, the pro-

portion of citizens with “favorable” views of the United States dropped from 73 to 61 percent in Chile, from 72 to 41 percent in Mexico, from 68 to 50 percent in Brazil, and from 53 to 31 percent in Argentina. The “soft power” of the United States has been rapidly eroding.

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**Fourth, popular frustration has led to populist and/or “leftist” political movements – generically known as the “pink tide.”**

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The trend first appeared in 1998, when Hugo Chávez swept the Venezuelan election with 56 percent of the vote. Denouncing the country’s institutions as “corrupt” instruments of a “rancid oligarchy,” he has asserted increasingly authoritarian control of the nation’s political apparatus. Forging a close alliance with Fidel Castro, Chávez has announced his intention to create “socialism for the twenty-first century.” The tide gained strength as elections resulted in victories for Luiz Inácio Lula da Silva (“Lula”) in Brazil (2002, 2006), Néstor Kirchner in Argentina (2003), Evo Morales in Bolivia (2005), and Daniel Ortega in Nicaragua and Rafael Correa in Ecuador (2006) – Near-misses occurred in Peru and Mexico. Tabaré Vázquez of Uruguay was at first thought to

belong to the tide, but he swerved toward the political center midway through his term.

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**Fifth, Latin American leaders of all stripes – left, right, center – have sought closer relationships with extra-hemispheric powers.**

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In part this strategy represents a pragmatic response to geoeconomic realities of globalization, a quest for new markets and sources of investment. (Chile, for example, has negotiated an FTA with China.) And for some, it has been an ideologically inspired effort to offset the geopolitical dominance of the United States (thus Venezuela has been courting Iran, Russia, and non-aligned nations throughout the developing world.) Either way, this situation presents opportunities to international powers outside the Western Hemisphere.

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## THE STRATEGIC IMPORTANCE OF LATIN AMERICA

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### 2. The Strategic Importance of Latin America

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Why does Latin America matter? First, there are considerable economic interests at stake. The region is host to more than 15 percent of overseas FDI from the United States and approximately 12 percent of the EU's FDI (amounting to a cumulative stock of nearly € 300 billion).

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Two-way trade with Latin America accounts for roughly 17 percent of U.S. total trade, and 5.3 percent of the EU's total trade. Mexico and Venezuela are vital sources of petroleum.

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Second, Latin America presents the United States with crucial geopolitical concerns.

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The region is right next door. Terrorists from any part of the world might try to enter U.S. territory by land, air, or sea.

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Moreover, Latin America presents many of the conditions that are widely believed to be underlying causes of terrorist movements – poverty, oppression, and inequality.

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Nearly half the people in the region live on less than \$2 per day. This poignant fact raises sobering questions about social justice, public policy, and the international division of labor. Yet these conditions have not yet produced any home-grown terrorist movements aimed at the United States (none that we know of, anyway). Nor has any government offered logistical support or safe haven to Al Qaeda or any comparable movements. And while Hugo Chávez consorts with anti-U.S. regimes on the world stage, he is far from offering hospitality to terrorist groups. Latin America has no imam urging the faithful to seek martyrdom in an anti-American crusade.

## THE STRATEGIC IMPORTANCE OF LATIN AMERICA

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Relative tranquillity throughout the Western Hemisphere has proven to be a major benefit to the United States.

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**It has enabled Washington to project its military and economic power around the globe without fear of deadly retaliation on the southern flank.** Imagine otherwise: What if Lebanon or Iraq were on the U.S. southern border instead of Mexico? What if Venezuela were Iran? What if Latin America were Central Asia or the Middle East? By being as peaceful and as quiet as it has been, Latin America has provided a very substantial (and largely invisible) subsidy for America's policy toward other parts of the world.

This affects EU interests too. For one thing, Europe and the United States are allies: what is good for one is presumably good for the other. Second, Europe has its own interests in the region – economic, political, and social. And from a global perspective, the condition of Latin America affects the “developing world” at large. In part, EU policies

toward Africa, Southeast Asia, and other world regions are shaped and facilitated by trends within Latin America.

From all perspectives, the way to promote U.S. and EU interests is to pay better attention to the region. Neglect is not benign. Nor is it intelligent.

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**Both the United States and the EU should sharpen their focus on Latin America.**

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## U.S. POLICY UNDER BUSH

### 3. U.S. Policy under Bush

September 11, 2001 and the subsequent “war on terror” wrought far-reaching changes in inter-American relations.

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Most fundamental was a shift in Washington’s regional priorities. Central and South Asia and the Middle East – broadly speaking, the Muslim world – vaulted to the top of the ladder. Latin America faded far into the background.

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Bilateral discussions of immigration reform with Mexico were put on indefinite hold. Official discussion of the subject came to a screeching halt. The idea of a special partnership with the United States went down along with those airliners, and there was nothing to put in its place. “In these difficult times,” said a disappointed Vicente Fox in May 2002, “Latin America seems to have been abandoned to its fate.”

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Institutionalized neglect was reflected in high-level appointments in the first Bush administration. Seasoned Latin American experts were most conspicuous by their absence.

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Not one of the topmost officials in the foreign-policy team (at State, Defense, or the National Security Council) had extensive experience within the region; indeed, it was half-jokingly observed that the only “Latin Americanist” in the administration was the president himself. Furthermore, many of the mid-level administrative posts were occupied by hard-line representatives of the Cuban American community, perhaps as payback for its fervent support of the Republican cause during Florida’s contested election in 2000.

As Latin America plunged through economic and institutional crises in years immediately following 9/11, critics argued that inattention to the region had gone too far. A former member of the Clinton team argued that the Bush approach had moved “beyond benign neglect.”

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In an article disarmingly entitled “Is Washington Losing Latin America?” (one has to ask: whom did it belong to in the first place?), the president of a prominent DC-based think tank declared that “After 9/11, Washington effectively lost interest in Latin America. Since then, the attention the United States has paid to the region has been sporadic and narrowly targeted at particularly troubling or urgent situations.”

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From elsewhere on the ideological spectrum, an analyst from the arch-conservative Heritage Foundation argued that the United States “must re-engage in Latin America.” A voluble right-wing expert on the region sarcastically diagnosed the Bush approach as suffering from “attention deficit disorder.”

For the second Bush term, the appointment of Condoleezza Rice as Secretary of State was thought to bring more clout to the department, but it is unclear how that would impact Latin America. (Her academic specialty was the Soviet Union.) One hopeful sign was the appointment as Assistant Secretary for Western Hemisphere Affairs of Thomas Shannon, an experienced and pragmatic diplomat, in replacement of Roger Noriega, an outspoken, unsubtle, and right-wing representative of the Cuban American community. However, the recent appointment of John Negroponte as Deputy Secretary of State has fueled speculation that he might overshadow Shannon and impose a hard-line cast on policy toward the region.

### The Bush Trip (March 8-14)

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In the face of sagging popularity within the hemisphere, President Bush undertook a week-long trip to Latin America in March 2007.

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The whirlwind tour covered five countries, all friendly to the United States in one degree or another – Brazil, Uruguay, Colombia, Guatemala, and Mexico. By this time Lula was carefully distancing himself from Hugo Chávez, whom he wanted to replace as Latin America’s most visible spokesman on the world stage; Vázquez had negotiated a trade and investment framework agreement with the United States; and the presidents of Colombia, Guatemala, and Mexico were steadfastly pro-American.

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Bush had three goals: reasserting American hegemony, demonstrating concern for social issues, and countering the influence of Chávez (whom he never once mentioned by name).

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## U.S. POLICY UNDER BUSH

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With security at maximum levels, anti-American demonstrations nonetheless erupted everywhere. The most meaningful practical achievement was an accord with Brazil to promote the production of ethanol as an alternative source of energy – without, however, any corresponding reduction in protective U.S. tariffs.

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The blunt fact was that, with Democratic majorities in the U.S. Congress, Bush could offer little if anything to his eager hosts. As one diplomat opined, the trip was “too little, too late.”

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Or in the words of Madrid’s *El País*, the president’s travel ended *sin pena ni gloria* (without any lasting consequence).

Indeed, the tour featured a conspicuous non-event: continuing the strategy of “inoculation,” Bush declined to meet with key members of the chavista coalition (Kirchner or Correa, for example). And in response, Chávez himself undertook a parallel counter-tour – with stops in Argentina, Bolivia, Nicaragua, and Haiti. Shadowing the U.S. president,

Chávez heaped vitriolic scorn upon Bush and dispensed generous petrodollars in his wake.

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Much more than Bush might have liked, the international press tended to interpret the simultaneous tours as a *mano a mano* contest between contending warriors.

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## 4. EU Policies

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Faced with Washington's neglect, Latin American leaders have looked to the European Union. The story has a familiar ring: Europe holds benevolent views of Latin America, but is too absorbed in its own problems to pay much attention.

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Serious issues trouble the Union. One has been the war on terror, especially the U.S.-led invasion of Iraq. Moreover, doubts have risen about the continuing expansion of EU membership. Having begun as a cohesive group of twelve nations, the Union now includes 27 states. Future additions may well include Serbia, Montenegro, Bosnia, Macedonia, Croatia (the former Yugoslavia), and such ex-Soviet states as Ukraine, Moldavia, and Georgia. Especially intense controversy swirls around the potential admittance of Turkey, a largely Muslim state with a dubious human rights record. A proposal for a formal EU "constitution" has gained popular approval in eighteen countries, but was rejected in Holland and France. Faced with this rebuff, officials have postponed further action until 2009. The rebuff led to stalemate. Faced with this

challenge, German chancellor Angela Merkel has vowed to revive the constitutional project during her nation's term in the rotating presidency of the EU.

Europe has been unable to grant much time or attention to Latin America.

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**In May 2006 a summit meeting of EU and Latin American heads of state produced elegant declarations that were utterly devoid of meaningful content.**

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Participants solemnly affirmed that "we reiterate our commitment to continue promoting and strengthening our strategic bi-regional association as agreed in previous summits..." As summarized by one prominent newspaper, "A paralyzed Europe collides with a divided Latin America." The EU-Latin American summits were falling short of expectations.

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**In fact, the EU has undertaken few meaningful initiatives.**

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## EU POLICIES

The most notable activity resulted in FTAs with Mexico, in 1997, and Chile, in 2002. The 2006 summit also proclaimed the intention to negotiate a free trade agreement with Central America. In this case, as in the others, the principal goal would be to offset the preferential effects of bilateral FTAs with the United States. In the meantime, the much-publicized idea of an FTA between the EU and Mercosur languished for lack of attention – and for lack of commitment on both sides. “To achieve success,” as one observer noted, “the negotiation needs fresh air.”

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The inertia has even extended to Spain, the country which gave such high priority to Latin America from the mid-1980s through the 1990s.

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Taking office in 2004, President José Luis Rodríguez Zapatero gave a strong push to the Iberoamerican Summit, mended relations with Venezuela, improved relations with Cuba, and declared support for an EU free trade pact with Mercosur. His administration also created a cabinet-level position to oversee relations with Latin America, but invested it with scant authority and resources. At the most recent

Iberoamerican gathering, King Juan Carlos appointed a representative to mediate a cross-border dispute between Argentina and Uruguay.

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Apart from such intermittent gestures, Latin America was no longer attracting top-level attention from Spain’s political leaders.

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Over the last couple of years, Spanish foreign policy has fallen hostage to domestic political strife. Fierce disputes over Basque terrorism, regional autonomy, and culpability for the March 2004 attacks have polarized national discourse. In the meantime, concerns about bilateral relations with the United States and about uncertainty in Latin America, especially in Venezuela and Cuba, have bred caution within the foreign ministry. This could all change in the future, perhaps after the next round of national elections, and Spain could very well resume an activist role in the region. Contemporary thinkers still quote José Ortega y Gasset’s maxim that Latin America remains Spain’s “greatest duty and greatest honor“.

## 5. Key Issues on the Horizon

More and better attention toward Latin America does not mean that the United States and the European Union will be in agreement. Indeed, constructive disagreement could be a positive outcome. Here follows a brief inventory of selected issue-areas.

### The Pink Tide

The emergence of left-wing populism has caused considerable concern in Washington. The Bush administration regards this development as a dangerous threat to American interests. In mid-2005 right-wing evangelist Pat Robertson even went so far as to advocate Chávez's assassination.

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A year later Condoleezza Rice announced a campaign to "inoculate" South America from nefarious chavista influence. And as mentioned above, Bush was seeking to counter chavista tendencies with his presidential trip in March 2007.

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Future hostilities toward pink tide countries might lead zealous Bush officials to adopt a range of harsh measures, among them exclusion from international forums and programs, diplomatic isolation, economic suffocation, support for opposition movements (under the guise of strengthening "civil society"), possibly tacit encouragement for military uprisings.

Given their experience with the political left, EU leaders have no reason to regard the pink tide with such alarm.

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**Efforts to isolate Chávez and his allies are only making things worse. Instead, EU representatives would do well to engage these leaders in constructive dialogue, listen to their concerns, provide assistance as appropriate, and agree to disagree on elements of global policy.**

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In this effort it would be useful to distinguish between Chávez, on the one hand, and individuals such as Correa, Kirchner, and Ortega on the other hand: not everyone applauds Hugo's bombastic personal style. European diplomacy is aptly suited to this task. Dialogue could lead to mutual learning and, as a result, prevent the pink tide from becoming truly dangerous.

## KEY ISSUES ON THE HORIZON

### Cuba

The future of Cuba poses delicate issues for U.S.-EU relations. Ever since the early 1960s, Washington has attempted to bring down the Castro regime – by force, stealth, or economic strangulation. Despite the end of the Cold War, conservative policymakers have regarded Cuba as a genuine threat to American interests and security. Recent strategy has been to isolate the regime, keep the embargo in place, encourage domestic opposition – and, as of early 2007, wait for Fidel’s death.

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Depending on the circumstances, some conservative analysts advocate the threat or use of military force.

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The EU has had a very different experience. European diplomats have taken opportunities to engage with Cuban leadership—and in particular, the younger reformers who are likely to inherit power under the successor regime of Raúl Castro (regardless of his brother Fidel’s personal health). Instead of isolating Cuba, Europe has extended diplomatic recognition to the government, invested heavily in the national economy, and brought the country more and more openly into the international community. At the

same time the EU has sharply criticized human-right abuse in Cuba, going so far as to impose sanctions on the Castro regime after the jailing of dissidents in 2003.

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As the future unfolds, the EU or its member states – perhaps Spain – could play a supportive role in easing the eventual normalization of relations between the United States and Cuba.

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In so doing, the EU would have to surrender the economic benefits it has received from the U.S. embargo on trade and investment—which has eliminated U.S. business competition from the field. (This is not a minor consideration. Notwithstanding Helms-Burton, this would pose no immediate threat to existing European investments in Cuba. The arrival of U.S. investors could, however, provide formidable competition over new opportunities in a post-Fidel era.)

Sensitive questions might arise very soon. What kind of condolences might EU governments express in the event of Fidel’s death? If Raúl Castro were to visit Europe, what kind of reception might he get?

What if the EU/Latin American and Caribbean Summit were to meet in Havana? Or if the Iberoamerican Summit were to meet once again in Havana (it did so in 1999)? What kind of role might new Cuban leadership attain in these organizations? Issues of protocol can acquire substantial symbolic content, and they need to be handled accordingly.

### **Economic integration**

The Bush administration supports FTAs and a hemispheric Free Trade Area of the Americas that would serve clearly defined U.S. interests – meaning, in particular, the interests of American investors and producers. Countries that disagree with U.S. policies around the world are excluded from the FTAs; they have to pay a price for heresies. Essentially, the U.S. government has adopted a hub-and-spoke strategy: it allows the United States to pick and choose its partners, to exclude its critics, and to hold the upper hand in all negotiations. From the Bush standpoint, the FTAA is excessively inclusive: unless Washington can dictate the terms of hemispheric integration, it is not worth the effort.

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EU analysts regard these developments with considerable apprehension, not least because they threaten to prejudice European economic interests.

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Even in the early 1990s, some interpreted the FTAA proposal as a latter-day version of the Monroe Doctrine (as one report acidly inquired, “America for the Americans?”) As mentioned above, the EU’s practical response to U.S. strategy has been to forge FTAs of its own. Of necessity, however, this has been a tit-for-tat approach. A more far-reaching strategy would be to strengthen multilateral forums, especially the WTO. This would enable the EU to level the playing field for trade and investment with Latin America and other developing regions. In the long term, it would also benefit Latin America.

### **Drug Trafficking**

Over the past quarter-century, U.S. authorities have waged a war on drugs with vigor and intensity. They regard trafficking from Latin America as a principal source of the problem: the way to protect American society is to eradicate crops, interdict shipments, and punish narcotrafficantes. The

## KEY ISSUES ON THE HORIZON

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idea has been to reduce supply. This requires large amounts of lethal force. This, in turn, leads to the deployment of Latin American armed forces in the anti-drug campaign (plus U.S. military units in some operations). Within the United States, drug warriors punish drug offenders – including consumers – with substantial prison sentences. Strict penalties are intended to act as a deterrent and send a message as well: as a police chief of Los Angeles once said, drug users are committing “treason” in the war on drugs and they therefore deserve to be shot (!).

Traditionally, EU governments have placed more emphasis on reducing demand than on eliminating supply. Consumption of marijuana and hashish is permitted (or tolerated) in some areas, while clean-needle programs have helped save the lives of heroin addicts. At the same time, dealers of illegal drugs tend to face harsh prison sentences.

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**One novel idea would be for the United States and the EU, as the world's principal markets for illicit drugs, to focus international attention on strategies for reduction of demand as well as interdiction of supply.**

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Together, American and European leaders could spearhead multilateral efforts to curtail worldwide consumption of dangerous drugs in the name of public health. Serious programs of education, rehabilitation, and prevention could make major contributions to public welfare in Latin America, South Asia, and other developing regions; they might bring social benefits to the United States and Europe too.

### **Immigration**

Because of its enormous complexity, this issue does not produce a clear-cut policy differentiation between right and left, conservative and progressive, American and European.

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**It is an age-old issue for the United States; in its current guise, it is a new issue for Europe.**

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EU policymakers have much to learn from careful analysis and thorough understanding of the U.S. experience. Over the past century, the United States has implemented (or attempted to implement) a broad range of immigration regimes: open borders, forceful deportation,



guest-worker programs, legal quotas, partial amnesties, quasi-military border enforcement, employer sanctions, deprivation of public services, and the construction of physical barriers. These strategies have met with varying degrees of incomplete success.

In the wake of 9/11 the immigration issue has acquired special urgency for the United States. Assuming that resources were available, some conservatives advocate the use of military force along the U.S.-Mexico border. They also support recent legislation calling for the construction of a lengthy wall. They see border security as a crucial matter of national security: it is, in their view, the only way to prevent international terrorists from sneaking into the United States. Moreover, they add, this approach offers the only conceivable way of stanching the inexorable flow of Mexicans into the United States – where they take away jobs, drive wages down, and, worst of all, contaminate true-blue American culture.

At the same time, many employers welcome the presence of a labor force that is low-cost, hard-working, non-union, and trouble-free. Migrant workers harvest crops, wash dishes, tend gardens, clean bath-

rooms, muck out stables, and perform hundreds of other unpleasant tasks. To get a sense of their invisible importance one has only to remember the 2004 Hollywood film *A Day without a Mexican* (which depicts chaos, confusion, and economic paralysis resulting from the sudden disappearance of California's Latino population). It is because of this contradiction that President Bush, former governor of Texas, has adopted such an equivocal stance on this whole issue.

Europeans have frequently criticized the harshness and inconsistency of U.S. immigration policy in regard to Latin America. They have viewed it essentially as an American problem.

But now the EU faces something similar—rapidly rising rates of immigration, especially from northern Africa. To date there has been no clear response to this situation. While condemning racial prejudice and hate crimes, some EU officials have criticized (or forbidden) traditional Muslim garb. Invoking humanitarian principles, others espouse the fundamental rights of would-be migrants, even as they seek illegal entry.

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## KEY ISSUES ON THE HORIZON

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Ultimately, EU governments might settle for a compromise – increasing quotas for legal migration, providing amnesty for longtime residents, and tightening restrictions on illegal crossings. The idea would be for immigration to become open, above-board, and subject to legal regulation. Alas, the U.S. experience suggests that the problem would not disappear; it might just come back another time.

## Concluding Reflections

Large questions underlie this analysis. To promote discussion and reflection, they are presented here in telegraphic form.

### 1. Visions

What is the most desirable future for Latin America? Almost all Europeans and Americans would support hopes for prosperity, justice, and democracy. Beyond that, however, the Bush administration wants a Latin America that is characterized by free-market economics, right-of-center politics, pro-American sentiments, and support for U.S. global policies. In contrast, Europeans would accept (or prefer) a region with a strong state role in economics, an ideological spectrum spanning from left to right, tolerance of anti-American (or pro-American) sentiments, and an independent stance in world politics.

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The Bush team dislikes Chávez because he is anti-American; Europeans dislike him because he is authoritarian.

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### 2. Differences

While the EU and the United States share many common interests in Latin America, they have important differences as well.

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In many instances, an active European role can mitigate negative consequences of U.S. policy. Healthy competition of this kind would redound to the long-term benefit of Latin America. How willing is Europe to accept this role, and how tolerant will the Americans be?

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### 3. Receptivity

Europeans and the EU are regarded highly in most of Latin America and, in any event, are regarded more favorably than Americans and the U.S. government. This differentiation results from longstanding historical traditions, from Europe's appreciation of Latin American society, and from the hope that a strong European presence could offset the hegemonic power of the United States. At this juncture, it means that Europe could take advantage of a special entrée into the affairs of Central and South America.

### 4. Spheres of influence

Is it still appropriate to maintain European and American “spheres of influence” in the developing world? Should Latin America be regarded as the “backyard” (patio trasero) of the United States? Should America be left to the Americans? Such a conception relies essentially on historical trends and imperial legacies.

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