



# Latin America and the Caribbean in the Global Context

WHY CARE ABOUT THE AMERICAS?

Patricia Horwitz and Bruce M. Bagley



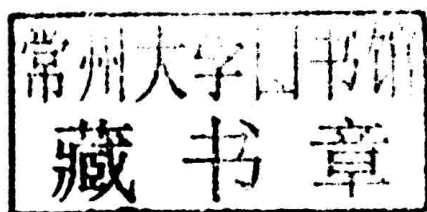
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# LATIN AMERICA AND THE CARIBBEAN IN THE GLOBAL CONTEXT

Why care about the Americas?

*Betty Horwitz and Bruce M. Bagley*



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*Latin America and the Caribbean in the Global Context* provides state-of-the art analysis interpreting the transformations of the region's place in world politics and the global economy through the lenses of contemporary theories of international relations. Fundamental issues such as the quality of democratic governance and transnational drug trafficking, the region's quest for greater autonomy in a world scene marked by the war against terrorism, China's rise as a global power and challenges to US hegemony receive particularly acute treatment.

William C. Smith, *Professor of Political Science, University of Miami, Editor,*  
Latin American Politics and Society

It is extremely fortunate that this book brings to the forefront a core argument that is seldom considered by mainstream IR studies and comparative policy: the relevance and contribution of Latin America and the Caribbean to both world politics and democratic dynamics. The authors combine theory and practice, a historical and contemporary perspective covering multiple key issues across the whole area, with a singular purpose that they have been able to achieve: to thoroughly demonstrate why the post Cold war changing reality of LAC is significant; first to itself, to the Inter-american system, and to global affairs. In the end, Bagley and Horwitz show that the study and understanding of the region can be academically rigorous and intellectually empathetic.

Juan Gabriel Tokatlian, *Universidad Torcuato Di Tella,*  
Buenos Aires, Argentina

# LATIN AMERICA AND THE CARIBBEAN IN THE GLOBAL CONTEXT

Current perspectives on Latin America's role in the world tend to focus on one question: Why is Latin America and the Caribbean always falling behind? Analysts and scholars offer answers grounded in history, economic underdevelopment, or democratic consolidation. Horwitz and Bagley, however, shift the central question to ask why and to what extent does Latin America and the Caribbean (LAC) matter in world politics, both now and in the future.

This text takes a holistic approach to analyze Latin America's role in the international system. It invokes a combination of global, regional, and sub-regional levels to assess Latin America and the Caribbean's insertion into a globalized world, in historical, contemporary, and forward-looking perspectives. Conventional international relations theory and paradigms, introduced at the beginning, offer a useful lens through which to view four key themes: political economy, security, transnational issues and threats, and democratic consolidation. The full picture presented by this book breaks down the evolving power relationships in the hemisphere and the ways in which conflict and cooperation play out through international organizations and relations.

**Betty Horwitz** was a Lecturer in the Department of International Studies at the University of Miami, where she received her Ph.D.

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WE DEDICATE THIS BOOK TO OUR COMPANIONS  
AND CONFIDANTS, OUR SPOUSES OF OVER  
FORTY YEARS AND COUNTING, ROBERTO  
HORWITZ AND ANNETTE LOUISE TRAVERSIE  
BAGLEY. WE WOULDN'T BE HERE WITHOUT  
THEIR LOVE AND SUPPORT.

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## Part I

# WHY DO LATIN AMERICA AND THE CARIBBEAN MATTER?

Let's think about the whole earth  
pounding with love on the table.  
I don't want blood to soak  
the bread, beans, music,  
again: I want the miner,  
the little girl, the lawyer, the doll  
manufacturer to accompany me,  
let's go to the movies and set out  
to drink the reddest wine.  
I don't want to solve anything.  
I came here to sing  
so that you'd sing with me.

"Let Woodcutter Awaken" from *Canto General*, by Pablo Neruda, translated by Jack Schmitt.

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# WHY CARE ABOUT WHAT HAPPENS IN LATIN AMERICA AND THE CARIBBEAN (LAC)?

## Introduction

For the last two hundred years, most observers of world affairs wrote off the nations of Latin America and the Caribbean (LAC) as minor actors on the world's economic and political stages.

It is true that once they gained their independence from Spain and Portugal during the second decade of the nineteenth century and through the nineteenth and most of the twentieth centuries, LAC remained poor, underdeveloped, plagued by internal conflicts and territorial disputes with neighbors, dependent on commodity exports, prone to dictatorial or authoritarian regimes, and essentially subordinate to the dominant power of the United States.

They were, in effect, "rule takers" rather than "rule makers" in the international system, constantly overshadowed by American hegemony.

The central argument of this book is that by the second decade of the twenty-first century, LAC and its role in and importance to the international system has changed dramatically for the better. Today, some of the countries of LAC are significantly more important—in both global economic and security terms—than at any time in the region's history. LAC is increasingly able to exercise national and regional autonomy in international affairs.

Furthermore, if recent history is any indication, the U.S. is likely to continue to be the major economic, political, and military power in the world, albeit less engaged than in the past. Its low rate of exports, its increasing self-reliance (especially in terms of energy), and its experiences over the past decade will cause it to be increasingly cautious about economic and military involvement in the world.

This may be perceived as a decline in U.S. hegemony both worldwide and in the Western Hemisphere. This relative disengagement, however, can work to the advantage of the Western Hemisphere, and LAC in particular. Specifically,

it can help countries like Brazil, Mexico, Colombia, and Chile position themselves to take advantage of their close ties to the U.S. as they emerge as increasingly relevant and independent actors on the international stage.

The objectives of this volume are to explain how this transformation has come about, to examine how far it has proceeded to date, and to analyze what role(s) the major countries of the region can be expected to play in the international system over the coming decades of the twenty-first century.<sup>1</sup>

As the mature phase of globalization approaches 2030, Brazil and Mexico are consistently finding themselves among the 15 largest economies in the world, while Colombia finds itself positioned among the first 30.<sup>2</sup>

As part of the Western Hemisphere, these nations are likely to grow into a role as global economic actors. With its size and growing GDP, Brazil<sup>3</sup> (and possibly Mexico<sup>4</sup>) could become a very real contender to China as a center of manufacturing. Both nations could emerge as principal leaders in Latin America, and they're not alone; countries such as Uruguay, Chile, and Colombia could become part of the world's most advanced economies in the next 15 to 20 years.

Latin America has shed its past stagnation and instability and is emerging as a key engine of world economic growth, an area of relative political stability, and, considering the length of time that has passed since the 1978 electoral defeat of Joaquín Balaguer in the Dominican Republic, an example of democratic solidification.<sup>5</sup>

Certainly not all is said and done, but the last two decades has seen deepening global connections and economic growth in Latin America, hand in hand with government pragmatism and democratic strengthening.<sup>6</sup>

Many feared that the inclusion of disenfranchised groups would lead to the creation of authoritarian regimes with a leftist populist slant (such as the one in Venezuela) that would upset economic gains. Instead, more consensual, pragmatic, and centrist politics have taken hold, as seen in Colombia, Brazil, Chile, and Peru.

The poor performance of the authoritarian Latin American left paired with a broader engagement in global affairs on issues such as energy, security, finance, technology, manufacturing, and trade have discouraged any radical departures in economic issues.

Of course, Latin America is not yet free of its past troubles and still faces major obstacles in its quest to play a major role on the world stage. The region remains plagued with extremely high rates of poverty and continues to present the worst wealth and income inequality patterns in the world.

LAC's economic development faces headwinds due to its heavy dependence on the primary production of oil, minerals, and agricultural commodities and its limited diversification in basic industries, high technology, and key service sectors such as banking, insurance, and research and development.

That being said, the principal obstacles to Latin America's growth are internal and political in nature: deeply rooted social and political exclusion,



criminal violence, and weak political institutions ultimately erode not only the economic competitiveness but also the democratic practices and institutions. These hurdles could potentially stifle or thwart Latin America's advancement toward a greater role in the global system over the first half of the twenty-first century.<sup>7</sup>

Whether or not Latin America, led by key countries such as Brazil and Mexico, will realize its promise in the twenty-first century remains very much an open question.

There are important reasons to believe it will, however, especially when LAC is compared with other regions of the developing world. Side by side with other nations, LAC's obstacles appear manageable.<sup>8</sup> Much of LAC seems to be moving in the direction of poverty alleviation and institutional consolidation.

If LAC manages to continue its positive trajectory in the coming decades, it will assuredly rise to a more prominent role in world affairs.

This book is based on the premise that its future matters a great deal, both to the LAC itself and to the rest of the world.

### **Location, Location, Location, and a Complicated Relationship**

LAC may not be the largest, fastest-growing, most populated, or even most dangerous area in the world, but LAC's prime global position has kept it as an active participant in the struggle for supremacy among world powers.

For the past two hundred years, its proximity to the U.S. made LAC the territory where Washington could impose its foreign policy priorities and experiment with different strategies before implementing them anywhere else. As Washington's backyard, LAC has had an important role to play in the development of the international capitalist system in place today.

Take Mexico: the U.S.'s GDP is nine times that of its neighbor to the south, so the two nations present the largest income gap between any two contiguous countries in the world. Yet because of the North American Free Trade Agreement (NAFTA), the entire region of North America (Canada, the U.S., and Mexico) has the potential to become the most crucial of the continental regions worldwide.<sup>9</sup>

Mexico, together with Central America, constitutes a growing demographic powerhouse with which the U.S. has had a complex and mutually dependent relationship. This relationship will become even more complex in the future, be it through increasing trade ties, legal and illegal immigration, or organized crime.

Case in point: the scheduled 2014 widening project of the Panama Canal in order to open the Caribbean Basin to megaships from East Asia. From Texas to Florida to Central America and the Caribbean, the economic fates of port cities will be closely intertwined.<sup>10</sup>