

The New Left in Latin America and the Opportunity for a New U.S. Foreign Policy
by
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The Problem

The foreign policy of the United States regarding Latin America has had two sources: doctrines that privilege the United States at the expense of other nations, and past geopolitical struggles. Both the passage of time and political changes in Latin America make policy based in these perspectives and historical moments untenable.

United States – Latin American relations were initially shaped by economic and political interests expressed in the Monroe Doctrine, which articulated our nation’s desire to see the Americas free from economic and political intervention by the great powers of the 19th century. As U.S. power increased, that doctrine transformed into political efforts that prioritized U.S. economic, political, and military interests over those of Latin America. After World War II, foreign policy focused on maintaining a bulwark against communism. That policy became focused on free flows of trade and capital, the hallmarks of neoliberal economics, during the early 1980s. These policies shared a common view of Latin America: that these nations are to be controlled, as immature junior partners, and that pursuing U.S. interests will provide benefits for both continents. These views, and the policies they inspired, have incurred devastating economic and political consequences in Latin America.

The prioritization of neoliberal policy over other alternatives has elicited clear political responses in Latin America. Since 1998, the citizens of Venezuela, Chile, Brazil, Argentina, Uruguay, Bolivia, Ecuador, and Nicaragua have all elected governments representing parties of the center-left to left. The significance of this shift is not to be underestimated. First, this means that of the economic giants of Latin America, only Mexico is not governed by leftist governments. Second, close to 60 percent of Latin America’s 527 million people live in these nations. Finally, many of the new left governments in Latin America are actively looking outside their traditional economic affiliations with the United States to forge trade with competitors and emerging powers such as China, India, and Iran. Clearly there is now a new Latin America. This change requires the formation of a new U.S. foreign policy. This paper discusses some of the archaic policies and their costs, and suggests new policy possibilities.

The Research Evidence

U.S. foreign policy in Latin America has ranged from overthrow of democratically elected governments that are interpreted as threatening to U.S. business interests, to support of authoritarian regimes, to brief periods when human rights were nurtured and problem-solving was coordinated.

The following examples of interventions in Guatemala, and Chile, as well as the ‘Washington Consensus’ illustrate how the United States has pursued its own interests to great detriment of Latin American nations. The final examples, FDR’s Good Neighbor Policy, JFK’s Alliance for

Progress, and Jimmy Carter's pursuit of human rights provide a foundation for the design of alternative policies.

Guatemala. For most of the first half of the 20th century, United Fruit Company was the largest landowner, exporter, and employer in Guatemala. In 1945, after violent and bitter struggles forced then-dictator General Jorge Ubico from office, Guatemalans elected President Juan Jose Arevalo. Arevalo came into office intent on building modern political parties and expanding suffrage, and advocated reforms such as limiting the workweek, increasing wages, and legalizing unions. Arevalo's successes led to the election of Colonel Jacobo Arbenz, who still confronted great social inequities. At the time of Arbenz's 1950 election, annual income per capita of agricultural workers was \$87, while 2.2 percent of landowners owned 70 percent of cultivable land. United Fruit possessed overwhelming power, employing more than the whole industrial sector of the nation. A 1950 World Bank study on Guatemala advocated higher wages, regulation of foreign industries, and government spending on education and health care, as well as on infrastructure for transportation and communication. Indeed, these were the same policies the Arbenz government intended to implement.

The Eisenhower administration saw these nationalist reforms through Cold War anticommunist lenses, as well as recognizing threats to the United Fruit Company. Not coincidentally, Secretary of State John Foster Dulles and his brother, Allen Dulles, then Director of the CIA, had been legal counselors for United Fruit, and both owned substantial amounts of stock in that company. Other large stockholders in the Eisenhower administration included: John Moors Cabot (Assistant Secretary of State for Inter-American Affairs), Thomas Dudley Cabot (Director of International Security Affairs for the State Dept and ex-United Fruit president), and General Robert Cutler (head of the National Security Council and former United Fruit board chairman).

The Central Intelligence Agency created, funded, and trained a small army, strategizing that once the army established a minimal presence in Guatemala, the U.S. government would recognize the leader of that coup as the new president. The proxy army attacked Guatemala and the Arbenz administration resigned. Within weeks, the progressive legislation of the Arevalo-Arbenz period was eliminated. The aftermath of this coup was four decades of elite rule and repression that left hundreds of thousands of Guatemalans dead, and millions displaced.

Chile. Since 1932, Chile had been a stable democracy. During the 1964 elections, the CIA intervened at President Johnson's order by channeling three million dollars to presidential candidate Eduardo Frei, who narrowly defeated Salvador Allende Gossens, the leftist candidate. Frei pursued important political and social reforms, but also tried to nurture industrialization by attracting foreign investment. Resentment from active labor unions and leftist parties brought Allende to the presidency in 1970. Again, the CIA sent money to influence the elections against Allende. Clear links existed between corporate interests and U.S. government policy: International Telephone and Telegraph, Chase Manhattan Bank and other corporations worked with the CIA to fund an anti-Allende propaganda campaign.

On September 15, 1970, then Ambassador Korry was sent a message from the State Department "giving him the green light to move in the name of President Nixon, to do all possible, short of a Dominican Republic style invasion, to keep Allende from taking power." Despite U.S. efforts such as planting articles in Chilean newspapers and attempting to foment a military coup,

Allende won office. Inheriting a nation with serious economic problems, Allende froze prices, instituted public works programs, and nationalized the copper industry and other foreign owned businesses. Such policies led to continued CIA efforts to destabilize Allende. U.S. corporations joined the destabilization efforts through coordinated office closings, delayed payments, slowing deliveries, and credit denial. Allende's government was overthrown and Allende killed in a military coup on September 11, 1973.

The examples of Chile and Guatemala are neither anomalous nor the most dramatic of U.S. interventions in Latin America. Nicaragua and El Salvador provide other cases of U.S. intervention as well as support for right-wing military regimes in nations like Argentina, Brazil, and Paraguay.

Foreign policy since the early 1980s has also been consistent with neoliberal economics. Briefly, structural adjustment, or austerity policies are imposed as part of debt renegotiations between individual nations and the International Monetary Fund and World Bank. These policies sought to remove governments from their roles as regulators and service providers, and stripped consumer subsidies and domestic industry protections in the name of free trade. Such policies have had hugely negative impacts on Latin America, with decreases in wages, employment, and social service spending, and increases in poverty and inequality.

Three brief policy moments contrasted with the United States' more consistent efforts of domination. Roosevelt's Good Neighbor initiative, Kennedy's Alliance for Progress, and Carter's focus on human rights provide examples of enlightened self-interest, and offer some foundation for alternative policy design.

Good Neighbors. Franklin Delano Roosevelt's Good Neighbor policy recognized the unhappy history of United States-Latin American relations. The new policy advocated abandoning intervention, a just and objective government recognition policy, and hemispheric solidarity and cooperation. FDR's administration put this policy into play by withdrawing Marines from Haiti, and renegotiating the treaty with Cuba. The initiation of the Good Neighbor policy signaled the possibility of different relations between the United States and Latin America based on recognition of mutual needs and benefits.

The Alliance for Progress. John Kennedy's administration recognized that Latin America's young population was growing rapidly and fast approaching working age in economies that were weak and had few employment prospects. Impoverishment of the countryside drove mass migration, leading to urban sprawl and slums. Illiteracy was high, and low agricultural production was forcing more food imports. These conditions led policy makers to design the Alliance for Progress, a partnership with Latin American nations, mixing industrial aid and social policies to reduce persistent inequalities. The Alliance granted large sums to build industrial infrastructure such as dams, roads, and ports. Policies such as agrarian reform, increasing credit availability to small farmers, creating equitable tax systems, and providing greater access to health care, education, and housing would join public and private investment to stimulate economic development and growth. In general, the policy resulted in economic growth without social development. Despite the lack of success the Alliance created a foundation for multilateral policy design and action.

Human Rights. Jimmy Carter's human rights policy emphasized nonintervention, except when U.S. interests were demonstrably threatened. In a short period, President Carter negotiated the return of the Panama Canal, instituted a North – South dialog in which Latin American democracies were asked to cooperate in setting an agenda for better relations, asked U.S. business to be more flexible in their dealings with Latin America, and tried to improve relations with Cuba. Under Carter, human rights were central elements of negotiation, and aid budgets were reduced because of documented human rights violations. These policies were important to demonstrate that economic considerations need not be the sole foundation for foreign policy.

Policy Recommendations and Solutions

New foundations for United States-Latin American relations can be found in elements of the Roosevelt, Kennedy, and Carter policies, as well as current geopolitical concerns.

Emphasize multilateralism. If the United States is to find new foundations for foreign policy in Latin America, multilateral policymaking must substitute for our tendency to forge policy alone. There are a multitude of existing organizations with which the United States may work, as well as emerging venues. The Organization of American States (OAS) must be embraced as the policy-making arbiter of the American continents. It is the only venue in which there is the possibility of national voices being heard equally. Yet in addition to equal articulation of needs, the OAS has to be seen as a place of policy origin, and as a coordinator of even those policies that it does not originate. One way to define the new role of the OAS would be to convene a conference of American nations to re-define the meaning of democracy and security. Democracy continues to be understood through limited lenses of electoral institutions and constitutional structures that are a legacy of the Cold War; surely there are new conversations to be joined about what variants of democracy might look like, and what roles may be played to foment them. Similarly, notions of international security transformed almost seamlessly from Cold War concerns to the 'global war on terror,' both of which are discussions defined by the United States. In examining decades of destabilizing economic policies, Latin American nations are likely to have a very different notion of security. Convening a conference to articulate views that might lead to re-thinking of these issues would be an important step to multilateral policy-making.

One outcome of such exchange might be an OAS-U.S. Fund for Democratic Development. Such a fund might have two uses. First, it could fund projects designed by the United States and the OAS that address economic inequality, as during the FDR and JFK programs, but add oversight by an institution with interests other than the United States' as a priority. Second, such a fund could be used to support new policy ideas from governmental and nongovernmental proposals alike.

Prioritizing multilateralism also requires the United States to actively recognize past unilateralism and take active steps to ensure we will not return to such a policy position. One policy is to pledge that the United States will refrain from intervening in the Americas, through either military or propaganda means. If we are to act in real partnership, the United States will have to wean itself from unilateral military and political action against those that we fear.

Another symbolic, yet very important action would be to abolish the National Endowment for Democracy. This organization has been the organ of non-military U.S. destabilization efforts since the 1980s. The abolition of the NED would be a symbolic movement away from unilateralism.

Multilateralism also requires respect for institutions not created by the United States. Current efforts to develop alternative market institutions in Latin America, such as ALBA and the Bank of the South, do not have to be perceived as threats by U.S. policymakers. If we can reconceive international relations as a realm by which economic security is the route to national security, indigenous institutions can achieve goals which are shared by Latin America and the United States alike.

Democratic development. Prioritizing multilateralism will lead to new notions of democratic development. Democratic development not only recognizes the need for rule of law, free and fair elections, and representative government, but would assess democracy by economic outcomes as well. Equitable growth is crucial to Latin America, as the continent with the greatest level of economic inequality. Democratic development would prioritize ideas, projects, and relations that maintain production while decreasing inequality. Investing in democratic development would require the United States to increase its foreign aid budgets in accord with the Millennium Development Goals, and the UN 20-20 process. Further resources that could be directed toward democratic development could come within Latin America, especially through debt relief.

Debt relief. Currently, the massive amount of resources spent on debt payments are monies made unavailable to address human or infrastructural needs. Devoting these resources to debt payment has resulted in lower physical quality of life and greater inequality for Latin Americans. Various powerful Western institutions have championed limited debt relief, including the World Bank HIPC program, the Paris Club, and others. Social movements such as Jubilee Network, Eurodad, and PRS Watch advocate for even more significant cancellation of debt. Research consistently demonstrates that the resources needed to achieve poverty reduction and social capital investment could easily be provided by a combination of increased foreign aid from developed nations and debt reduction. Finally, harmful economic conditions which bring foreign aid only at the expense of draconian cuts in national budgets for health, education, employment, and housing must be eliminated. The presence of economically secure actors can only increase the security of the United States by reducing poverty, narco-trafficking, and immigration.

Immigration. Any discussion of changed foreign policy towards Latin America must take immigration into account. The numbers of documented and undocumented migrants from Latin America, especially Mexico, have soared over the past decade. Any policy design must understand that the flow of immigration has increased simultaneously with globalization. Strategies of global integration, such as the NAFTA and CAFTA trade pacts, and increases in foreign direct investment have not limited immigration, as was part of the rationale behind these accords. Lifting trade barriers, expanding trade zones, and increased foreign investment has increased migratory flows. Further, any comprehensive immigration policy must carefully examine the benefits and costs to the United States of current immigration flows. Precise policy recommendations for immigration reform are beyond the scope of this essay; it must be

recognized, however, that this issue is indeed part and parcel of U.S. foreign policy relations with Latin America. Similarly, and as this essay demonstrates, we must conceive of foundations of that policy through lenses of human rights as much as economic gain.

Key Resources

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Useful Websites Include:

EuroDad(European Network on Debt and Development): For issues related to debt, development finance and poverty reduction. <http://www.eurodad.org/>

Jubilee Research Online: A discussion of debt relief. <http://www.jubilee2000uk.org/>

The Longview Institute: Articulates and promotes a vision of our nation based on a moral economy and a just society.<http://www.longviewinstitute.org/>

National Security Archive: An independent non-governmental research institute and library located at The George Washington University. The Archive collects and publishes declassified documents obtained through the Freedom of Information Act. http://www.gwu.edu/~nsarchiv/nsa/the_archive.html

New America Foundation: Bringing promising new voices and new ideas to the fore of our nation's public discourse. <http://www.newamerica.net/about/mission>

United Nations Millennium Goals: <http://www.un.org/millenniumgoals/>

World Policy Institute: A project for global democracy and human rights. <http://www.worldpolicy.org/globalrights/>

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