The Centre for International Governance Innovation

WORKING PAPER

International Diplomacy

The Obama Administration and Latin America: Towards a New Partnership?

Daniel P. Erikson

Working Paper No. 46

April 2010

An electronic version of this paper is available for download at:
www.cigionline.org

To send comments to the authors, please contact:

Daniel P. Erikson
Senior Associate for US policy and Director of Caribbean programs,
Inter-American Dialogue
derikson@thedialogue.org

If you would like to be added to our mailing list or have questions about our Working Paper Series please contact: **publications@cigionline.org**

The CIGI Working Paper series publications are available for download on our website at: **www.cigionline.org/publications/workingpapers**

CIGI Publications Team:
Senior Director for Publications: **Max Brem**
Publications Coordinator: **Jessica Hanson**
Publications Assistant: **Matthew Bunch**
Media Designer: **Steve Cross**

ISSN 1917-0238 (Print)
ISSN 1917-0246 (Online)

CIGI gratefully acknowledges the Government of Ontario's contribution to this project.

CIGI WORKING PAPER

International Diplomacy

The Obama Administration and Latin America: Towards a New Partnership?

Daniel P. Erikson

Working Paper No. 46

April 2010

About the Author

Daniel P. Erikson is the senior associate for US policy and director of Caribbean programs at the Inter-American Dialogue. He is the author of *The Cuba Wars: Fidel Castro, the United States, and the Next Revolution* (Bloomsbury Press, 2008). His book chapters appear in *The Obama Administration and the Americas: Agenda for Change* (2009), *The Diplomacies of Small States* (2009), *Latin America's Struggle for Democracy* (2008), *Looking Forward: Comparative Perspectives on Cuba's Transition* (2007), *Taking Sides: Clashing Views on Latin America* (2007), and *Transforming Socialist Economies: Lessons for Cuba and Beyond* (2005), which he co-edited. Mr. Erikson has taught Latin American politics at Johns Hopkins-SAIS, is frequently interviewed in US and international media, and has testified before the US Congress. His past positions include research associate at Harvard Business School and Fulbright scholar in US-Mexican business relations. He earned a Masters in Public Policy as a Dean's Fellow at Harvard's Kennedy School of Government and a BA from Brown University. He is a term member of the Council on Foreign Relations.

Abstract

The presidency of Barack Obama ushered in a welcome honeymoon period in US-Latin American relations following eight years of the Bush administration's polarizing policies towards the region. Early optimism has been tempered by the reappearance of tensions in hemispheric relations. They include the rise of Brazil as a regional power, the role of Venezuela and the continued strain in US-Cuban relations. Regional relations are further complicated by China's growing economic presence in Latin America, increased ties with Iran and Russia, different US and Latin reactions to the June 2009 coup in Honduras, and the crisis response to the January 2010 earthquake in Haiti. Still, the US has potential to advance a strategy of substantive, issue-oriented engagement designed to rekindle the early goodwill that resulted from Obama's election to the White House.

Introduction

The election of Barack Hussein Obama as the 44th president of the United States was widely hailed at home and abroad as a pivotal and potentially epoch-making event. In a remarkably short time, Obama moved from a rising star of the Democratic Party to a formidable presidential candidate to become the first black president of the US. The world celebrated Obama's election as an example of the American possibility of renewal and a welcome shift from the perception of strident unilateralism that had dogged President George W. Bush — even after his policies took a more moderate and multilateral turn during his second term in office. Virtually every major world region expected its relations with the US to be substantially altered (and mostly improved) by a new American president with a decidedly more cooperative and multilateral approach to foreign policy.

Latin America and the Caribbean were no exception. The 33 developing countries of the Western Hemisphere broadly welcomed Obama's election to the White House. Indeed, in no part of the world outside Africa did the election of a black US president have greater symbolic value. Latin America, with its history of slavery and racism, is home to a large African diaspora. As many as one-third of the region's 550 million inhabitants are Afro-descendent — including a large fraction of the population in Brazil — with the vast majority of the Caribbean and smaller communities throughout the Andes and Central America. Coupled with the fact that Latin American countries generally prefer Democratic presidents, for reasons that have as much to do with unpleasant Cold War memories of Nixon and Reagan as any specific policy agenda, Obama's emergence was a welcome event. In a BBC poll which included surveys of opinion in Brazil, Mexico and Panama, respondents heavily favoured Obama over his Republican opponent John

McCain, and about half thought that their nation's relations with the US would improve as a result of his election. (Canadians, uncharacteristically, were even more optimistic.) About 60 percent of Mexicans added that it would fundamentally change their view of the United States, and slightly fewer than half of Panamanians and about one-third of Brazilians agreed (BBC World Service, 2008).

While virtually all the presidents of Latin America and the Caribbean hailed Obama's election, specific responses reflected the idiosyncrasies of each country — perhaps nowhere more so than Brazil, where six candidates in municipal elections legally changed their names to either Barack or Obama in an attempt to capitalize on the local popularity of the American candidate. Brazilian President Luiz Inácio Lula da Silva (quoted in Foley, 2009), a leftist who had burnished his credentials as a pragmatist by cozying up to the Bush administration, placed Obama's election in a regional context, saying, "In the same way that Brazil elected a metalworker, Bolivia an Indian, Venezuela a Chávez, and Paraguay a bishop, I believe it will be an extraordinary thing if in the biggest economy in the world a black is elected president." Brazilian Foreign Minister Celso Amorim chimed in that, "We aren't going to deny that the Brazilian government had a good, pragmatic relationship with the Bush government, but now the relationship can be refined, and we hope to establish a relationship of partners with the new US government" (quoted in Erikson, 2008). Lula later proposed two policy changes for Obama to implement: an end to US agricultural subsidies and the repeal of the US embargo of Cuba. Mexican President Felipe Calderon spoke with Obama about the challenge of fighting organized crime and drug trafficking, an issue also emphasized by Colombian president Álvaro Uribe along with urging passage of the controversial Colombia Free Trade Agreement then awaiting a vote in the US Congress.

Venezuelan president Hugo Chávez said of Obama, "We don't ask him to be a revolutionary, nor a socialist, but that he rise to the moment in the world," adding, "we hope the next government will end that savage embargo and aggression against Cuba" (The Telegraph, 2008). In a column in the Cuban government newspaper *Granma*, Fidel Castro, the ailing 82-year old ex-president of Cuba, expressed relief that the US had not elected John McCain, whom he described as "old, bellicose, uncultured, not very intelligent, and not in good health" — proving yet again that the grizzled Cuban leader did not subscribe to the notion that those in glass houses should not throw stones. Castro praised Obama as "more intelligent, educated and level-headed," but fretted that "concerns over the world's pressing problems really do not occupy an important place in Obama's mind." Another commentary in *Granma* described Obama's victory as "surprising and meteoric," which the author credited in part to McCain's fateful decision to select as his running mate "the Arctic Amazon of Alaska, Sarah Palin" (Montoto, 2008). But it was Prime Minister Baldwin Spencer of the tiny twin island nation of Antigua and Barbuda that made the grandest gesture. He promptly wrote a letter of congratulation to the US president-elect in which he declared that his country's tallest mountain, the 1,319-foot high Boggy Peak, would be henceforth known as Mount Obama (Kentish, 2009).

Bringing Latin America into Focus

All this hoopla caused even hardened sceptics to wonder if Barack Obama could revive the flagging relationship between the US and Latin America following the disenchantment of the Bush years. To some degree, enthusiasm for Latin America is cyclical, as newly elected US presidents frequently promise to reinvigorate ties with America's neighbours to the south. Some have made good faith efforts: Bill Clinton, for example,

helped secure enactment of the North American Free Trade Agreement (NAFTA) in 1993, restored the ousted Haitian president Jean-Bertrand Aristide to power in Haiti and convened the first meeting of the Summit of the Americas in 1994. Clinton later became so preoccupied with the conflict in the former Yugoslavia and then his impeachment scandal at home that, with the exception of the drug war in Colombia, Latin America largely fell from the agenda.

George W. Bush invited then Mexican President Vicente Fox as the first guest at a White House state dinner in early September 2001, where he declared that the US "has no more important relationship in the world than the one we have with Mexico." The 9/11 terrorist attacks occurred the following week, and Mexico, along with the rest of Latin America, virtually disappeared from the US foreign policy agenda for the rest of Bush's first term, except for the effort to negotiate a range of bilateral free trade agreements (FTA) with regional allies. It could be argued that, no matter where an American president's foreign policy eventually ends up, an early emphasis is often placed on Latin America; history demonstrates, however, that US policy towards Latin America does not change quickly, especially during the first year of a new American presidency.

The Obama administration's Latin America policy has been shaped by four important factors. The first was the broader foreign policy environment facing the US government as well as the overall trajectory and scope of Obama's global engagement. Given that the top three priorities of the Obama administration were the wars in Afghanistan and Iraq and the repercussions of the financial and economic crisis that the White House inherited, Latin America was generally relegated to a lower priority, as reflected in a limited number of new initiatives, and the slow and uneven pace of staffing key governmental

positions. Still, Obama recast US international relations from the Manichean "with us or against us" approach favoured by the Bush administration to a style that embraced global engagement and direct diplomacy. The Western Hemisphere was not the primary focus of US outreach, but nevertheless it experienced the positive reverberations, whether it meant the more frequent meetings with G20 countries like Argentina, Brazil, Canada, and Mexico; the cautious diplomatic openings to Cuba and Venezuela; or the efforts to back a Latin America-led solution to the political crisis in Honduras that was precipitated by the ouster of President José Manuel Zelaya in June 2009.

The second factor was the political and bureaucratic momentum that drives forward a number of US policies in Latin America, some of which date back decades while others were created under the Bush administration. While Obama softened the edges of longstanding policies like the US embargo of Cuba and the "war on drugs," his administration demonstrated little enthusiasm for seriously rethinking or reversing these efforts despite the tensions that these policies produced in the region (see Latin American Commission on Drugs and Democracy, 2009; Reuters, 2008). The same was true for a number of more promising Bush-era initiatives, such as the Merida Initiative (to provide police and military support to the Mexican government as it battles drug traffickers along its northern borders), and the expansion of the nearly decade-old effort to help the Colombian government establish internal security and dismantle guerrilla groups. In May 2009, the Obama administration requested US$1.4 billion to expand the Millennium Challenge Corporation, a US aid effort created by Bush officials to reward high performing governments in poor countries worldwide, with major poverty reduction compacts already active in El Salvador, Honduras and Nicaragua, and threshold programs established for Guyana, Paraguay and Peru.

Third, the Obama administration, like most of its predecessors, exercised caution in dealing with high-cost, low-reward policy issues such as immigration reform, new trade deals and Cuba. Serious negotiations with the US Congress over immigration reform were postponed until after the passage of health care reform, which absorbed an enormous amount of political effort. While the Obama administration quickly backpedalled from its campaign promise to "renegotiate NAFTA," it has nevertheless shied away from bucking the strong anti-trade tendencies that dominate the Democratic Party. Significant trade agreements that the Bush administration negotiated with Colombia and Panama were left in limbo as a result, and the plans for the US-backed Free Trade Area of the Americas (FTAA) have essentially been consigned to purgatory following the breakdown in negotiations that occurred during Bush's second term (see Shifter, 2009). A widely acknowledged need to overhaul Cuba policy was muted by concerns about provoking the ire of strongly pro-embargo Cuban exile legislators in the House of Representatives and Senate, even though a sea change in the sentiments of the broader Cuban American community initially seemed to encourage a broader opening.

Lastly, emerging political trends in Latin America have raised new questions about how the US should define its relationship with the countries to its south at a time when they are exhibiting a greater level of assertiveness (see Cooper and Heine, 2009). This independent streak is increasingly apparent throughout South America. During Lula's presidency, Brazil has strengthened its role as a continental leader and achieved new political heft on the world stage. The decision by the International Olympic Committee to award the 2016 games to Brazil, bypassing Obama's hometown Chicago, marks the first time that a South American country has been chosen to host the Olympics and represents a major symbolic milestone

in Brazil's rise, much as the 2008 games in Beijing served that purpose for China. Assuming that he remains in office despite the rapidly deteriorating economy, Venezuela's Hugo Chávez has positioned himself as the regional provocateur and principal adversary of American dominance in the Western Hemisphere. Leaders in Ecuador, Bolivia, and Argentina have taken steps to distance themselves from the US, while Chile and Peru have become more focused on trade ties with the Asia-Pacific region. Colombia, notwithstanding its reliance on US military aid, remains irritated that its free trade deal with the US remains indefinitely stalled pending a congressional vote in Washington. In Mexico, Central America and the Caribbean, the region's economic interconnectedness with the United States has persisted as the dominant fact of its politics. Mexican President Felipe Calderon pledged to work closely with the US to solve the problem of drug-related insecurity along the border. Still, all countries are experiencing a diversification of political relationships and the Caribbean is looking increasingly to China (see Phillips, 2009) and Venezuela (see Legler, 2009) as major partners.

The Globalization of Latin America

The United States has long been wary of foreign powers meddling in the Western Hemisphere for reasons both real and imagined. In recent years, Latin America's increasingly diverse international relations have stoked these fears anew, as the US has witnessed the region draw closer to global rivals just as American influence is facing unprecedented challenges. The warm embrace that Iranian President Mahmoud Ahmadinejad received from Venezuelan president Hugo Chávez and, more recently, Brazil's President Lula, provides the most dramatic example of a new trend that has seen Latin America and the Caribbean seek greater

independence from the United States while deepening ties with such emerging powers outside the hemisphere as China, India and Russia. To be sure, many US policy makers intellectually understand that this increasingly complex mosaic of international relations is the product of a more globalized world. Still, there is an underlying current of unease that American primacy in the Western Hemisphere is being threatened in subtle but important ways.

Of course, there has long been a precept in US foreign policy that was developed to address precisely this problem. It is called the Monroe Doctrine, after its creator President James Monroe, and it represents the iconic assertion of the United States' right to oppose foreign powers in the Western Hemisphere. Today, the realities that were the foundation for the Monroe Doctrine have fundamentally changed, but the United States has been slow to adjust its attitudes and mindset accordingly. In order to be effective in Latin America, the Obama administration recognizes that it must adapt to an increasingly globalized era in inter-American relations. As a result, the US has attempted to forge a middle path between counterproductive efforts to isolate countries with which it has difficult relations and efforts to engage Latin America's rising powers that show little interest in reciprocating American goodwill. In May 2009, US Secretary of State Hillary Clinton, speaking at a public forum in Washington, D.C., was asked how the US should manage the challenges posed by Hugo Chávez, the Venezuelan leader who has positioned himself as the chief opponent of American power in Latin America. Secretary Clinton (2009) used the opportunity to rebut the George W. Bush administration's record in dealing with leftist leaders in the hemisphere, saying that "the prior administration tried to isolate them . . . It didn't work." She continued,

> I have to say that I don't think in today's world, where it's a multipolar world, where we are competing for attention and relationships with at least the Russians, the Chinese, the Iranians, that it's in our interest to turn our backs on countries in our own hemisphere.

Clinton also stated that the new engagement between extra hemispheric actors and certain Latin American countries is "quite disturbing" (Clinton, 2009).

Secretary Clinton is hardly the first US public official to cast China's growing presence in Latin America as a sign that the US should deepen its own engagement in the region. During the 2008 US presidential campaign, China's growing influence in Latin America was portrayed as a symptom of the perceived neglect of the region by the Bush administration. In his first debate with Republican candidate John McCain, Obama highlighted China's role as a potential challenge:

> We've got challenges, for example, with China, where we are borrowing billions of dollars. They now hold a trillion dollars' worth of our debt. And they are active . . . in regions like Latin America, and Asia, and Africa. The conspicuousness of their presence is only matched by our absence, because we've been focused on Iraq. (New York Times, 2009).

To its credit, the Obama administration has adopted a more nuanced approach, with regard to China in Latin America. The US posture has continued in the largely clear-headed and restrained direction that was initiated by the second Bush administration. Indeed, in the fall of 2009, Frank Mora, the top official managing Western Hemisphere affairs at the Pentagon, suggested that China could usefully help Latin America to address the issues of ungoverned territories, lack of economic

opportunity, and narcotics and arms trafficking in the region (Mora, 2009). Similarly, Russia's renewed interest in Latin America has been met with relative equanimity, despite the fact that Russian arms sales to the region have surged in recent years to overtake those of the US. According to the International Institute for Strategic Studies, Russian arms sales to Latin America in 2009 topped US$5.4 billion, principally to Venezuela, although Brazil, Colombia, Mexico and Peru also made major purchases (UPI, 2010). It is the deepening engagement of Iran in Latin America that has provoked the greatest alarm in the Obama administration. In Congressional testimony in January 2009, Secretary of Defense Robert Gates warned, "I'm more concerned about Iranian meddling in the region than I am the Russians," adding,

> I'm concerned about the level of frankly subversive activity that the Iranians are carrying on in a number of places in Latin America ... They're opening a lot of offices and a lot of fronts behind which they interfere in what is going on in some of these countries. (Reuters, 2009)

Indeed, while the Obama administration has accepted — even embraced — the notion of a multipolar world, it continues to indicate that one of the potential poles, Latin America, should remain off-limits to those powers of which the US disapproves. These latent tensions were thrown into even sharper relief in November 2009, when Brazilian President Lula hosted a state visit by Iranian President Ahmadinejad, despite deep disapproval in Washington (see Sweig, 2010). The emergence of Iran as a worrisome new actor in the region has heightened the need for the US to develop effective responses to the region's increasing globalization.

The continuing debate over declining US influence in the region is driven by a confluence of positive and negative trends.

The most favourable change is that the Western Hemisphere has forged a consensus on democratic norms, ratified by the Inter-American Democratic Charter signed by OAS member countries in 2001. Setting aside the troubling case of Cuba, the spread of democracy has increased the political legitimacy of the governments throughout the hemisphere — including those at odds with the United States. Foes like Venezuela's Hugo Chávez and Nicaragua's Daniel Ortega may seek to weaken or dismantle democratic institutions, but their ability to win power through the ballot box still shields them from criticism among Latin American countries that hold the principle of non-intervention more dearly than notions about the collective defence of democracy. There is little doubt that the United States helped democracy take root in Latin America and the Caribbean in the 1990s, but this created new limits on Washington's ability to intervene in these countries to pursue its own interests.

US Policy Challenges

Since his election in 1998, Hugo Chávez has been the political leader who has posed the most severe test to US power from within Latin America. Chávez both rejected the United States' historical leadership role (which he terms "imperialism"), and has strived to create a network of alliances and institutions independent of US influence. He sought to replace the International Monetary Fund (IMF) and the World Bank with the Latin America-dominated Banco del Sur, exchange the FTAA with a social trade pact known as the Bolivarian Alternative for Latin America (ALBA), and he funded a new Spanish-language news station *Telesur* as an alternative to US media sources. Chávez has won a limited following for these ideas in the region, and the passage of a recent Venezuelan referendum rescinding term limits has paved the way for him to seek another term in January 2013.

Brazil, with the world's fifth largest population and tenth largest economy, is similarly interested in a realignment of global power that recognizes its political and economic heft. Unlike Venezuela, however, it has been careful to ensure that its pursuit of this goal does not veer into open conflict with the US. Indeed, Brazilian President Lula enjoyed one of the warmest relationships with President Bush of any Latin American leader, and the personal rapport between Obama and Lula has been even warmer (see Marinis, 2010). Still, Brazilian opposition to the FTAA helped fuel its demise in 2005, and the country has clashed with the US in world trade talks as a leader of the G77 group of developing countries that includes China, India and South Africa. Brazil's aggressive bid to win a permanent seat on the UN Security Council has led Lula on a global tour to garner support for the country's global aspirations. Brazilian diplomacy has focused on positioning Brazil as a leader in world affairs ready to hold the US at arm's length when necessary (see Simpson, 2010).

The need to manage the increasingly complex relationship with South American countries will be a critical US policy priority. The early effort to enhance the US-Brazil agenda was especially vital, because strong US-Brazilian ties could help the Obama administration handle festering tensions in countries including Colombia, Venezuela and Bolivia. However, such an outcome may be overly optimistic, given that Brazil and the US soon diverged in their responses to the coup against President Jose Manuel Zelaya in Honduras, where initial unity in opposing the constitutional breach quickly gave way to divisions over whether the international community should recognize the Honduran elections scheduled for November 2009 in the absence of Zelaya's restoration (see Sheridan, 2009). The US provided its tacit support to the elections while Brazil, whose embassy in Tegucigalpa provided Zelaya sanctuary, disagreed.

The Honduran episode illustrates the degree to which Brazil's rise has made the complexity of this relationship more difficult for the Obama administration to navigate. This new dynamic was also evident in summer 2009, when news emerged that the US had signed a Defense Cooperation Agreement with Colombia that gave the US access to seven Colombian military bases under a ten-year lease. Brazil was among the countries that reacted with hostility to the spectre of increased US military involvement in South America, and foreign minister Celso Amorim warned that "The presence of foreign bases in South America awakens sensibilities of a political and even psychological nature that should be taken into account" (quoted in Carroll and MacAskill, 2009).

Colombia was also linked to an unpopular political battle in the US over the merits of expanding free trade during an economic downturn, as one of the Bush administration's parting gifts was the contentious and unpopular trade agreement with Colombia, and another with Panama — a separate agreement with South Korea was part of this equation as well. Given the current climate in the US Congress, these agreements will not be ratified unless there is a serious effort to ameliorate concerns about Colombia's situation with regards to labour rights — and even then the anti-trade wing of the Democratic Party would likely oppose them. Indeed, the Obama administration appears to have consigned the Colombia trade pact to a seemingly indefinite limbo, which will likely persist now that Alvaro Uribe, the chief proponent of the FTA, has been barred from pursuing a third term as president. In his State of the Union address in January 2010, President Obama (2010) declared that "we will strengthen our trade relations in Asia and with key partners like South Korea and Panama and Colombia," but he stopped short of pledging to have the existing agreements ratified.

By all appearances, the Bush administration's approach of ignoring or playing down the challenge posed by Hugo Chávez has run out of steam — a fact highlighted by the fall 2008 ejection of the American ambassadors to Venezuela and its close ally, Bolivia. Furthermore, Chávez's relationships with Iran, Russia, and other unfriendly powers are likely to continue deepening, and his influence in Bolivia, Ecuador and Nicaragua is clearly growing, although the recent decline in oil prices points to new vulnerabilities (see Romero, 2009). At the same time, Obama has little to gain from engaging in counterproductive sabre-rattling towards Venezuela, and has expressed interest in setting the US-Venezuela relationship on sounder footing. Fashioning a viable policy towards Venezuela, both to check Chávez's worrying tendencies as well as to establish a more constructive diplomatic relationship, will ultimately be a litmus test for the success or failure of Obama's policies in Latin America.

The Obama administration will face no shortage of challenges closer to home. In the area of US-Mexico cooperation, it has faced issues in advancing the Merida Initiative, a US$1.4 billion military aid package to help fight organized crime. This major US effort to help Mexico contain an explosion of drug-related violence was initially criticized for adopting a militarized approach to the problem. In addition, a US government audit in December 2009 revealed that only US$24.2 million of the funds had actually been spent, because much of the program remained mired in red tape and governmental bureaucracy (Sherman, 2009). Meanwhile, perhaps the most important issue to Mexico — meaningful immigration reform in the US — was postponed as the US congress focused on more pressing domestic concerns like job creation and health care reform.

Moving forward, two potential flashpoints in the Caribbean pose further worrying challenges. The lacklustre rule of Raúl

Castro and the worsening economic situation in Cuba have undercut early hopes that the island would adopt a path of reform following Fidel Castro's retirement. Nonetheless, Obama has implemented new travel rules for Cuban Americans and favoured direct bilateral negotiations on issues of mutual concern, such as migration and establishing direct postal service. Haiti, for its part, remains fragile and poses an ongoing source of humanitarian disaster that needs to be part of the regional agenda. In January 2010, Haiti was struck by a powerful earthquake that devastated the capital city of Port-au-Prince and resulted in more than two hundred thousand casualties. The US led in delivering humanitarian relief immediately after the quake, as well as in granting Temporary Protected Status to Haitian migrants, and made available hundreds of millions of dollars in aid while promising to deepen that investment in the months and years ahead (Silva, 2010).

Honduras, as referenced above, emerged as an unexpected flashpoint in US-Latin American relations in June 2009 when its democratically elected president, José Manuel Zelaya, was deposed in a coup. The Honduran military awoke President Zelaya early in the morning and deposited him in neighbouring Costa Rica while still dressed in his pajamas (Malkin, 2009). The resulting outcry against the newly appointed interim government of Roberto Micheletti prompted a months-long standoff between the de facto Honduran regime and the inter-American community. President Obama (quoted in BBC News, 2009) took an early stand in condemning the coup and called for the restoration of Zelaya, describing the forced removal of an elected president as a "terrible precedent" for the region. While the US joined with other Latin American countries in attempting to reverse the coup, that effort was ultimately unsuccessful and Micheletti presided over new elections and a transition to a new president, Porfirio ``Pepe'' Lobo, thereby thwarting Zelaya's efforts to return to power.

The Honduran crisis also illustrates how fault-lines in US domestic politics can complicate foreign policy responses to sensitive political issues in Latin America. Obama's initial support for Zelaya's restoration was strongly challenged by US conservative critics, led by Republican Senator Jim DeMint, who blocked the nomination of several top State Department appointments charged with handling Latin American policy. DeMint's support for the interim government of Roberto Micheletti, created a situation where the Obama administration's stance on Honduras was being actively undermined by members of the US Congress. This allowed Micheletti and his allies to run out the clock until the previously scheduled elections on November 29, after which they could be reassured that Zelaya would not return to power. For its part, Brazil (which had hosted Zelaya in its Honduras Embassy when he covertly returned to the country) was not impressed with the US response and US-Brazil relations suffered strain (see Heine, 2009).

The Honduras situation highlights the increasingly complicated nature of the US relationship with Latin America and the Caribbean. In order to pursue the US national interest, the Obama administration is compelled to navigate between the contentious US politics regarding Latin America, and the issues and concerns of the countries of the region, which are becoming increasingly assertive. The emergence of a regional hegemon in Brazil has added a new dimension to this difficult balancing act that foreshadows the potential for more friction in the years ahead.

The Summit of the Americas and Beyond

If the stakes were high for a successful outcome of the Fifth Summit of the Americas in Trinidad and Tobago in April 2009, the bar was set low. The previous inter-American summit,

which took place in Mar del Plata, Argentina in 2005, was widely viewed as a disaster. In an effort to play to domestic sentiments opposed to a visit by President Bush, the government of Nestor Kirchner had given its blessing to a protest rally of 25,000 demonstrators that included Argentine soccer legend Diego Maradona. Venezuelan President Chávez took advantage of the venue to deliver a scathing, two-hour indictment of President Bush and the US-backed plan to develop the FTAA, over which summit negotiations later collapsed in acrimony. Against this backdrop, the 2009 Summit provided Obama with an important opportunity to begin fleshing out specific proposals made during his campaign. Two initiatives that were especially highlighted were the "Energy Partnership for the Americas" to forge a path toward sustainable growth and clean energy (see Spencer, 2009), and the pledge to increase aid to the Americas through targeted micro-financing, vocational training and small enterprise development to help achieve the United Nations Millennium Development Goals by 2015.

When Obama arrived at the summit, there was anticipation about seeing the new US leader perform for the first time on the hemispheric stage. Furthermore, his visit to Trinidad was preceded by a flurry of activity related to Cuba. A group of legislators from the Congressional Black Caucus became the first American politicians to meet with Fidel Castro since the former Cuban leader fell ill three years ago. The Obama administration also repealed restrictions on the ability of Cuban Americans to travel back to Cuba and send money to their families living on the island, prompting Raúl Castro (quoted in CNN, 2009) to declare that "we have sent word to the US government in private and in public that we are willing to discuss everything, human rights, freedom of the press, political prisoners, everything." At a press conference en route to the summit, Hillary Clinton responded, "We are continuing to look for productive ways

forward because we view the present policy as having failed … We welcome his comments and the overture they represent, and we are taking a very serious look at how to respond" (quoted in Stolberg and Barrionuevo, 2009).

During his visit to Trinidad, Obama contributed to a possible diplomatic breakthrough when he announced to the 33 of the assembled leaders that the US was seeking a "new beginning" in its tormented relationship with Havana (Richter and Nicholas, 2009). Not everyone was convinced, however. During a 50-minute speech, Nicaraguan President Daniel Ortega lambasted US policies and focused on Cuba's exclusion from the summit: "I cannot feel comfortable by being here. I feel ashamed of the fact that I'm participating at this summit with the absence of Cuba" (quoted in Rampersad, 2009). Ortega then blasted the US government's backing of the Cuban-exile led Bay of Pigs invasion in April 1961, although he acknowledged that Obama "obviously doesn't have any responsibility for that historic event."

Obama told the assembled leaders, "We cannot let ourselves be prisoners of past disagreements. I am very grateful that President Ortega did not blame me for things that happened when I was three months old. Too often, an opportunity to build a fresh partnership of the Americas has been undermined by stale debates" (quoted in Fox News, 2009). Obama (2009) went on to say:

> The United States seeks a new beginning with Cuba. I know that there is a longer journey that must be traveled to overcome decades of mistrust, but there are critical steps we can take toward a new day. I've already changed a Cuba policy that I believe has failed to advance liberty or opportunity for the Cuban people. We will now allow Cuban Americans to visit the island

> whenever they choose and provide resources to their families – the same way that so many people in my country send money back to their families in your countries to pay for everyday needs. Over the past two years, I've indicated, and I repeat today, that I'm prepared to have my administration engage with the Cuban government on a wide range of issues – from drugs, migration, and economic issues, to human rights, free speech, and democratic reform. Now, let me be clear, I'm not interested in talking just for the sake of talking. But I do believe that we can move US-Cuban relations in a new direction.

In addition to the attention on Cuba's absence, the image that came to dominate the coverage of the summit was a handshake that occurred between Obama and Chávez early in the gathering. "I greeted Bush with this hand eight years ago," Chávez intoned to Obama. "I want to be your friend." The Venezuelan president later gave Obama a Spanish-language copy of *The Open Veins of Latin America: Five Centuries of the Pillage of a Continent*, by Uruguayan intellectual Eduardo Galeano, a classic leftist text that decries European and US exploitation of Latin America. Obama, who does not read Spanish, appeared bemused by the gift. He later quipped, "I thought it was one of Chávez's books. I was going to give him one of mine" (quoted in Pickert, 2009). Within hours, the 1973 text soared to the top of the Amazon.com bestseller list, following in the footsteps of the Noam Chomsky book that Chávez had praised during his infamous "Bush is the Devil" speech nearly three years earlier (Fox News, 2006).

Before departing Trinidad and Tobago, Obama defended his handshake with Chávez against Republican attacks that the president was irresponsibly cavorting with an anti-American adversary, saying that his courteous response to the Venezuelan

leader was hardly "endangering the strategic interests of the United States." Obama also stated that freedom for the Cuban people remained the top US objective for engagement with the island, saying "That's our lodestone. That's our North Star" (quoted in Barrionuevo and Stolberg, 2009). Within days, Fidel Castro wrote, "There is no doubt that the President misinterpreted Raúl's statements. When the President of Cuba said he was ready to discuss any topic with the US president, he meant he was not afraid of addressing any issue. That shows his courage and confidence in the principles of the Revolution" (quoted in Neill, 2009).

Barack Obama is the 11th US president to face the Castro regime at the helm of Cuba, and his administration has inherited a complex and frequently contradictory policy that points in multiple directions. The goal of the US embargo is to deprive the Cuban government of resources, yet congressional exemptions for agricultural trade have transformed the US into Cuba's fifth largest trading partner, while Cuban Americans send hundreds of millions of dollars back to their families on the island each year. Successive US governments have set aside millions of dollars to build up domestic opposition groups within Cuba, but current immigration law grants residency rights to every Cuban who makes it onto American soil, which has allowed the Castro government to systematically export those who would otherwise be its most likely opposition. Tens of millions of dollars have been spent on Radio and TV Martí broadcasts intended to break through the Castro regime's "information blockade," but the average American citizen is banned from traveling to the island, despite the fact that people-to-people contacts have the potential to provide an important source of information about the outside world. In April 2009, the Obama administration reaffirmed the Bush administration's designation that Cuba is a "state sponsor of terrorism," even though the accompanying State Department

report described Cuba as a country that "no longer actively supports armed struggle in Latin America and other parts of the world," documented "no evidence of terrorist-related money laundering or terrorist financing activities," and determined that Cuba "has not provided safe haven to any new US fugitives wanted for terrorism" (United States Department of State, 2009). Moreover, the Obama administration, which has placed a special emphasis on multilateral diplomacy, has been repeatedly confronted with the fact that virtually none of its allies support the continuation of the US embargo of Cuba.

Conclusion: In Search of the Elusive Partnership

Upon entering the White House in January 2009, the Obama administration had to move quickly to confront a range of pressing challenges. There is little doubt that the new president's to-do list was to be dominated by the economic crisis, Afghanistan and Iraq. Issues facing Latin America and the Caribbean, though important, were of less immediate concern. That does not mean, however, that Obama has not engaged in serious and substantive work to help repair the damage that the Bush administration has wrought on US-Latin American relations. Moreover, there is now a window of opportunity to push through significant changes and lay the foundation for implementing Obama's vision for renewing US leadership in the Americas. Indeed, Obama's election ushered in a welcome honeymoon period for his administration in a region that is strategically important for US interests — and the challenge was to prolong this moment and harness it to rebuild some semblance of hemispheric cooperation.

The path ahead will not be easy, but Obama has already substantially recalibrated US-Latin America policy in the direction of engagement in small but important ways. President

Obama and members of his cabinet have frequently met with their counterparts throughout Latin America and the Caribbean and emphasized multilateral diplomacy as the central instrument for addressing the region's concerns. The US supported a resolution backed by Latin American countries to lift Cuba's suspension from the Organization of American States, and has stood with Latin American countries in calling for the restoration of democratic rule in Honduras. Under Obama, US relations with Latin America appear to be on the mend, but the progress to date is fragile and by no means irreversible. The political situation in Latin America and the Caribbean has shifted considerably in recent years and the new assertiveness of many regional countries, especially Brazil, has created an increasingly complex situation.

Although the early hopes for momentous change have begun to dissipate, the presidency of Barack Obama still has the potential to bring about an important restructuring of inter-American relations. In retrospect, the initial warm glow of good feelings was always destined to give way to a more pragmatic understanding on both sides of the relationship regarding the possibilities and limits of what the US and Latin America can expect of each other. But throughout the Americas, the desire remains that Barack Obama will be attentive and respectful to the region's concerns. The 44th president of the United States has already pledged to keep an open mind and demonstrate a willingness to listen. The next step is to advance the strategy of substantive, issue-oriented engagement that can sustain the goodwill that so much of the hemisphere felt upon his election to the White House.

Works Cited

Barrionuevo, Alexei and Sheryl Gay Stolberg (2009). "Hemisphere's Leaders Signal a Fresh Start with US," *The New York Times*. April 20.

BBC News (2009). "Obama Says Honduras Coup Illegal." June 29.

BBC World Service (2008). "All Countries in BBC Poll Prefer Obama to McCain," *BBC World Service Poll*. Available at: http://www.worldpublicopinion.org/pipa/pdf/sep08/BBCPresidential_Sep08_pr.pdf.

Carroll, Rory and Ewen MacAskill (2009). "Outcry in South America Over US Military Base Pact," *The Guardian.* August 27.

Clinton, Hillary Rodham (2009). "Keynote Address and Town Hall Meeting at Plenary Session of Foreign Affairs Day," US Department of State, May 1. Available at: http://www.state.gov/secretary/rm/2009a/05/122534.htm.

CNN (2009). "Raul Castro: Cuba 'ready to discuss everything' with US." April 19. Available at: http://www.cnn.com/2009/POLITICS/04/17/us.cuba/index.html.

Cooper, Andrew F. and Jorge Heine, (eds.) (2009). *Which Way Latin America? Hemispheric Politics Meets Globalization.* Tokyo: United Nations University Press.

Erikson, Daniel P. (2008). "Obama & Latin America: magic or realism?" *World Policy Journal.* Vol. 25, No. 4 (Winter): 101-107.

Foley, Connor (2009). "'Good looking" Lula's revenge," *The Guardian*. April 11. Available at: http://www.guardian.co.uk/commentisfree/2009/apr/10/brazil-gordon-brown.

Fox News (2009). "Obama endures Ortega diatribe." April 18. Available at: http://www.foxnews.com/politics/2009/04/18/obama-endures-ortega-diatribe/.

_____ (2006). "Chávez says US empire will soon fall, Calls Bush 'Devil,'" September 21. Available at: http://www.foxnews.com/story/0,2933,214709,00.html.

Heine, Jorge (2009). "A Case of Missed Opportunity," *The Hindu*. December 23. Available at: http://www.thehindu.com/2009/12/23/stories/2009122354720800.htm.

Kentish, Anika (2010). *ABC News*. August 4. Available at: http://abcnews.go.com/International/wireStory?id=8249926.

Latin American Commission on Drugs and Democracy (2009). Drugs and Democracy: Towards a Paradigm Shift, Statement by the Latin American Commission on Drugs and Democracy. Available at: http://www.plataformademocratica.org/Publicacoes/declaracao_ingles_site.pdf.

Legler, Thomas (2009). "The Chávez Effect," in Which Way Latin America: Hemispheric Politics Meets Globalization, edited Andrew F Cooper and Jorge Heine. Pp. 221-242. Tokyo: United Nations University Press.

Malkin, Elisabeth (2009). "Honduran President ousted in coup," *The New York Times*. June 28. Available at: http://www.nytimes.com/2009/06/29/world/americas/29honduras.html.

Marinis, Alexandre (2010). "Obama's 'man' goes nuclear as global fixer," *Business Week*. February 23. Available at: http://www.businessweek.com/news/2010-02-23/obama-s-man-goes-nuclear-as-global-fixer-alexandre-marinis.html.

Montoto, Ramón Sánchez-Parodi (2008). "Obama to the White House," *Granma*. November 5. Available at: http://hcvanalysis.wordpress.com/2008/11/05/cuba-on-obama/.

Mora, Frank (2009). "Strategic Implications of China's Evolving Relationship with Latin America." November 6. Available at: http://www.ndu.edu/CHDS/China-Wksp/Presentations/CHDS-ChinaSpeech-Frank_Mora.pdf.

Neill, Morgan (2009). "Obama misreads Cuban offer, Fidel Castro says," *CNN*. April 22. Available at: http://edition.cnn.com/2009/POLITICS/04/22/castro.cuba.obama/index.html.

The New York Times (2009). "The First Presidential Debate: Transcript." September 26. Available at: http://elections.nytimes.com/2008/president/debates/transcripts/first-presidential-debate.html.

Obama, Barack (2010). "Remarks by the President in State of the Union Address," Office of the Press Secretary. The White House. January 27.

_____ (2009). "Remarks by President Barack Obama," Fifth Summit of the Americas, Trinidad and Tobago, April 18.

Phillips, Nicola (2009). "Coping with China," in *Which Way Latin America: Hemispheric Politics Meets Globalization,* edited by Andrew F. Cooper and Jorge Heine. Pages 100-121. Tokyo: United Nations University Press.

Pickert, Kate (2009). "Chávez's gift: Open Veins of Latin America," *Time*. April 21. Available at: http://www.time.com/time/arts/article/0,8599,1892801,00.html.

Rampersad, Indira (2009). "Let's sum-it up: Cuba stole the show," *The Guardian* (Trinidad & Tobago). April 25. Available at: http://guardian.co.tt/features/life/2009/04/26/let-s-sum-it-cuba-stole-show.

Reuter, Peter (2008). "Assessing US Drug Policy," Debate Material for the First Meeting of Latin-American Commission on Drugs and Democracy, April 30. Available at: http://www.drogasedemocracia.org/Arquivos/peter_reuter_ingles.pdf.

Reuters (2009). "Iran playing 'subversive' Latin America role – Gates." January 27. Available at: http://uk.reuters.com/article/idUKTRE50Q6CT20090127.

Richter, Paul and Peter Nicholas (2009). "US, Cuba mutually signal thaw in relations," *Los Angeles Times*. April 18. Available at: http://articles.latimes.com/2009/apr/18/world/fg-us-cuba18.

Romero, Simon (2009). "Chávez lets West make oil bids as prices plunge," *The New York Times*. January 14. Available at: http://www.nytimes.com/2009/01/15/world/americas/15venez.html.

Sheridan, Mary Beth (2009). "US and some allies at odds over Honduras presidential elections," *The Washington Post*. December 1. Available at: http://www.washingtonpost.com/wp-dyn/content/article/2009/11/29/AR2009112900989.html.

Sherman, Christopher (2009). "Only sliver of aid for US-Mexico drug plan spent," *Associated Press*. December 3.

Shifter, Michael (2009). "Managing Disarray: The Search for a New Consensus," in *Which Way Latin America: Hemispheric Politics Meets Globalization*, edited by Andrew F. Cooper and Jorge Heine. Tokyo: United Nations University Press. Pp. 50-63

Silva, Mark (2010). "US is flying doctors and food to Haiti in massive earthquake relief effort," *Los Angeles Times*. January 16.

Simpson, Jeffrey (2010). "The country of the future may finally be arriving," *The Globe and Mail*. February 22. Available at: http://www.theglobeandmail.com/news/opinions/the-country-of-the-future-may-finally-be-arriving/article1477427/.

Spencer, Nicole (2009). "Obama's energy partnership for the Americas," *Latin Business Chronicle*. March 23. Available at: http://www.as-coa.org/article.php?id=1545.

United Press International (UPI) (2010). "Russia displaces U.S. as Latin arms source," *UPI*. February 8.

United States. Department of State (2009). Country Reports on Terrorism 2008. Washington, DC: US State Department April 30.

Stolberg, Sheryl Gay and Alexei Barrionuevo (2009). "Obama Says US Will Pursue Thaw with Cuba," *The New York Times*. April 18. Available at: http://www.nytimes.com/2009/04/18/world/americas/18prexy.html.

Sweig, Julia E. (2010). "An American in Brazil," *The New York Times*. March 2. Available at: http://www.nytimes.com/2010/03/03/opinion/03iht-edsweig.html.

The Telegraph (2008). "Venezuelan president Hugo Chávez 'hoping for a Barack Obama victory," *The Telegraph*. November 2. Available at: http://www.telegraph.co.uk/news/worldnews/southamerica/venezuela/3369053/Venezuelan-president-Hugo-Chavez-hoping-for-Barack-Obama-victory.html.

The Centre for International Governance Innovation
Centre pour l'innovation dans la gouvernance internationale

The Centre for International Governance Innovation is an independent, nonpartisan think tank that addresses international governance challenges. Led by a group of experienced practitioners and distinguished academics, CIGI supports research, forms networks, advances policy debate, builds capacity, and generates ideas for multilateral governance improvements. Conducting an active agenda of research, events, and publications, CIGI's interdisciplinary work includes collaboration with policy, business and academic communities around the world.

CIGI conducts in-depth research and engages experts and partners worldwide from its extensive networks to craft policy proposals and recommendations that promote change in international public policy. Current research interests focus on international economic and financial governance both for the long-term and in the wake of the 2008-2009 financial crisis; the role of the G20 and the newly emerging powers in the evolution of global diplomacy; Africa and climate change, and other issues related to food and human security.

CIGI was founded in 2002 by Jim Balsillie, co-CEO of RIM (Research In Motion) and collaborates with and gratefully acknowledges support from a number of strategic partners, in particular the Government of Canada and the Government of Ontario.

Le CIGI a été fondé en 2002 par Jim Balsillie, co-chef de la direction de RIM (Research In Motion). Il collabore avec de nombreux partenaires stratégiques et leur exprime toute sa reconnaissance pour leur soutien. Il remercie tout particulièrement le gouvernement du Canada, de même que le gouvernement de l'Ontario.

To learn more about CIGI please visit www.cigionline.org

The Centre for International Governance Innovation

Centre pour l'innovation dans la gouvernance internationale

57 Erb Street West
Waterloo, Ontario, Canada N2L 6C2

tel +1.519.885.2444 fax +1.519.885.5450

www.cigionline.org