United States Policy in the Hemisphere
Influencing the State and Beyond

BY FRANK O. MORA AND BRIAN FONSECA

United States—Latin American and Caribbean (LAC) relations are strong, and more importantly, built on a broad base of sophisticated, organic relationships that extend well beyond state-to-state engagements. Furthermore, U.S.-LAC relations encompass far more than what is often covered in the commentariat—like the number of presidential visits, the emergence of extra-hemispheric actors, problems related to drugs and immigration, or when compared to the visibility of U.S. engagements in others parts of the world. These outdated measures fail to truly appreciate the complexity and depth of U.S.-LAC relations today, all of which are the result of our persistent and deliberate engagement with the Americas. As former Secretary of State Hillary Clinton argues, “the United States needs to build on the ‘power of proximity.’ It’s not just geography—it’s common values, common culture, and common heritage. Its shared interests that could power a new era of partnership and prosperity.”

This article argues that in this context the role of the U.S. government must evolve from that of primary actor, to designer/implementer of the enabling environment most conducive to the continued growth of organic, non-state relationships throughout the hemisphere, and offers a new set of measures that better reflects the strength of relations between the U.S. and its hemispheric partners.

Deepening democratic principles, improving human security, and creating opportunities for economic growth and integration continue to be central to ensuring regional stability and advancing our interests in the hemisphere. This is not a departure from the national interests articulated by previous U.S. administrations, nor should it be. The difference lies in our capacity to expand influence in the increasingly interconnected global context in which U.S.-LAC relations take place. On this increasingly crowded global stage, the U.S. Government must be competitive; we must offer a vision of universal values that is unifying, compelling, and appealing, to citizens across

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the world. Given our shared history, similar cultures, increasing economic and social ties, this message will resonate strongly in this hemisphere. Globalization continues to force the region to rapidly adapt to political, economic and social currents, and improvements in access to information provide individual citizens with better connectivity and, in many cases, greater influence over their respective governments. Differences in adapting to globalization are producing a region more differentiated than ever before. Thus, U.S. policy must be recalibrated to match the evolving strategic environment, tailored to the increasingly pronounced differences among countries in the region, and inclusive of the full range of actors populating the hemisphere (states, non-state actors, and individual citizens).

The Strategic Environment

U.S. policy must be built on a strong understanding of the strategic environment in which U.S.-LAC relations take place. It is only in the last few decades that U.S. policy towards the region began to take into consideration key elements influencing these relations, such as the increasing global integration of the Americas, growing differentiation among nations of the Americas, “including their willingness to partner with the U.S., and the multiplicity and diversity of relations within and beyond the hemisphere.” The dynamic strategic environment that characterizes hemispheric relations today is often not clearly understood by many who continue to have a very state-centric understanding of the region and of U.S. policy. The need for policy to reflect and respond to this rapidly evolving context is paramount if Washington is to continue deepening ties and strengthening its influence in the region.

In world politics the state remains the most important actor, particularly in the area of security and the establishment and maintenance of international norms and practices. Bilateralism and multilateralism remain critical in exerting influence. Policymakers have yet to truly appreciate the impact of non-state actors beyond the often-mentioned terrorist and transnational criminal organizations. Businesses, religious organizations, and social movements and their structured networks across borders, are impacting international politics; transnational ties between these groups have tangible effects on the politics of their “home countries.” In terms of U.S.-LAC relations, dense interactions among non-state actors have become the true determinants of hemispheric relations. In fact, the complex network of inter-American non-state relations, particularly in the social and commercial spheres, has grown exponentially in the last few decades. Chris Sabatini argues that these interactions and exchanges “have often outstripped formal state relations and helped move governments in directions that state bureaucracies would not normally steer themselves.” For example, non-state actors continue to drive many states to acknowledge and address endemic corruption, human rights violations, and a wide range of socioeconomic inequalities.

The distribution and diffusion of power from the traditional centers of political and economic authority has heightened the capability of non-state actors and individuals to shape and influence global affairs. With regard to U.S.-LAC relations, states continue to play a dominant role but other actors and their networks also enhance interconnectivity leading to more complex and dynamic inter-American relationships. For this reason, the United
States government should lead and coordinate a whole of nation effort that leverages existing and potential engagements along the three levels of U.S.-LAC interaction: state, non-government and individual. The connections are fluid and dynamic, allowing states to engage and collaborate with non-state actors to achieve mutual objectives. For instance, the public-private partnership programs in the economic and social realms (e.g. “100,000 Strong in the Americas” education initiative and the “Connecting the Americas 2022” electricity generation program) in which Washington works with the private sector and community leaders in the U.S. and across the hemisphere to meet important needs while helping to deepen inter-American connectivity are the most dynamic kinds of contacts occurring today. The U.S. government must leverage and coordinate these actors and opportunities since these types of interactions offer the most effective means of advancing U.S. interests and influence in the new inter-American strategic context.

**Converging Hemispheric Interests**

A key characteristic of hemispheric relations today is the growing convergence on key issues and concerns—and subsequently, interests—facing the hemisphere. For instance, the 2003 Declaration on Security of the Americas integrated different perspectives regarding security threats and priorities that included terrorism, corruption, illicit trafficking and weapons proliferation. Differences remain as to perceptions of severity and the appropriate means to address these challenges, but a consensus persists around those threats more than a decade since the Declaration. Since then, the consensus expanded and focused on key issues, including energy, climate change, inequality, social inclusion (e.g. LGBT and indigenous rights), crime and violence and competitiveness. Political-ideological differences emerged in the new century impeding inter-American collaboration in some areas, but the consensus and opportunities for mutual collaboration continued to mature, in part thanks to efforts by social and economic entities, such as religious organizations, universities, and human rights organizations (many transnational) and their determination to keep the issues at the forefront of the hemispheric agenda.

**A Differentiated Hemisphere**

Countries in the hemisphere continue to make strides in their political, economic, and social developments—and all in the context of an increasingly interconnected, multipolar world. However, there are some clear differences among countries in terms of demographics, economy, territory, social development and institutional capacity to confront the challenges and opportunities of globalization. Comparing the economic size and institutional capacity of Honduras to Brazil or Chile underscores these differences.

While democracy remains the preferred form of government throughout the hemisphere the quality of democratic practices varies in the region. Progressive social initiatives over the last few decades have led to improvements in access to education and health and reduction in poverty rates in most of South America, but the quality and access remain problematic, particularly in Central America. Progress, therefore, remains uneven, and in some cases reversing, producing greater differentiation than ever before in terms of the quality of governance. In other words, the increasing differentiation lies in the capacity and performance of states to deliver governance
and development. Again, comparing state capacity and performance between Chile and Guatemala, for example, in delivering public goods effectively, particularly in the area of citizen security—the main challenge facing Guatemala and most of its Central American neighbors—highlights the differentiation that exists in LAC.

As the quality of democratic practice varies within the region, there are strong national differences in perceptions of the performance of democratic institutions reflecting those differences. According to Vanderbilt University’s AmericasBarometer, public support for democracy is over 65 percent in LAC. However, the consolidation or performance/quality of democracy differs across the hemisphere and continues to struggle in the Andean Region, Central America, and Haiti. Economist Intelligence Unit’s Democracy Index only ranks five hemispheric countries as full democracies: Canada, Chile, Costa Rica, the United States, and Uruguay. Most of the hemisphere varies between flawed democracies and hybrid regimes, with Cuba and Haiti characterized as authoritarian regimes (see figure 1).

Furthermore, institutions continue to struggle to achieve legitimacy, and widespread corruption is undermining institutions’ effectiveness in delivering security, justice and inclusive socioeconomic development; this is particularly the case in Central America but still extant in much of LAC.

Public opinion indicates that trust in political and social institutions is declining. While trust in the Catholic Church and the Armed Forces remains high throughout the region (see figure 2), improving political and

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**Figure 1: State of Democracy in the Western Hemisphere**

Source: Economist Intelligence Unit’s Democracy Index, 2014.
social institutions is the preeminent challenge facing the consolidation of democratic rule across the region. Recent social protests in Brazil, Chile, Guatemala, and Honduras, for example, are signs that structural reforms remain incomplete. In the end, as Hillel Soifer’s recent book “State Building in Latin America” underscores, the challenges to the region’s democracies is more fundamental than weak rule of law, bad infrastructure and poor schools—it’s about state capacity and the political will to institute necessary reforms.8

Access to health and education is increasingly becoming more available to historically marginalized populations though quality, particularly in education, remains a challenge at a time when Latin America lags in competitiveness. According to Americas Quarterly’s Social Inclusion Index, there are vast variations in social inclusion from one country to the next (and even within). For example, women’s rights are lowest in El Salvador, Guatemala, Honduras, and Paraguay, and highest in Argentina, Chile, Costa Rica, and Uruguay. Poverty, inequality, and quality of health and education figures also vary greatly between countries with low levels of socioeconomic development—Guatemala, Honduras, Mexico, and Paraguay—and countries with higher levels, such as Uruguay and Chile.9 The disparities between socioeconomic indicators in LAC’s precarious democratic environment are giving rise to growing social and political turmoil and ferment.

Hemispheric efforts to improve human security over the last few decades have achieved some important results. The region has made remarkable progress in improving socioeconomic sources of human security. According to the Human Development Index, most countries rank between 60 and 80 on a 0-100 scale (see figure 3).10 Poverty (and extreme poverty) reduction has been dramatic, from a high of 44 percent in 2002 to 28 percent in 2013,

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**Figure 2: 2014 LAC Citizen Trust in Institutions**

| Source: Vanderbilt University’s AmericasBarometer, 2014. | }
while uneven income distribution, one of the greatest challenges for democracy and development, has improved with reductions of the Gini coefficient of one percent a year during the last ten years.11 Moreover, more than 50 million people have worked their way up the social and income ladder in LAC in the past decade to become members of the middle class—an increase of over 50 percent.12

Despite this important progress, Latin America’s middle class is precarious, at best—they are an economic slump away from poverty. They have insecure jobs, weak purchasing power and lack access to quality education and health care for their children. But they also have rising expectations, a new stake in the political process, increased access to uncensored information via social media and a voice that demands to be heard. If this new middle class were to drop back into poverty, democratic governance could be further in peril. Additionally, downward trends in inequality and poverty have now leveled off, in large part because of emerging economic stagnation and pending structural reforms. In some countries, like in the Southern Cone and the Caribbean, poverty has begun to creep up. In Mexico, for instance, the number of poor increased by more than two million since 2012.13

One key challenge faced by just about every country in LAC is physical security. Citizen insecurity is among the most pressing concerns in LAC today, and one that is shared across the hemisphere. The question of physical security is not associated with the threat of inter-state conflict, which remains very low, despite legacies of territorial disputes. Instead, the nature of the threat is internal to states and involves non-state actors (gangs and transnational organizations) and individuals (delinquents). According to AmericasBarometer, more than half of LAC citizens perceive that security has worsened over the last decade, and citizens perceive physical security as the most prevailing issue facing communities.14

Though citizen insecurity affects all, there are some significant differences. Argentina, Chile, Nicaragua, and Uruguay, for instance, have homicide rates of less than eight per 100,000 in 2014. Conversely, El Salvador, Venezuela, and Honduras recorded homicide rates of more than 60 per 100,000; the highest levels in the world.15 The same differentiation applies to other crimes like kidnappings and burglaries. Criminal organizations and gangs

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Figure 3: Human Development Index Trends 1980-2013

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continue to proliferate in areas characterized by weak governance and high socioeconomic inequalities, and Colombia and Peru continue to fight decades-long domestic, albeit considerably weakened, insurgencies. To that end, centering notions of security on people, rather than states, enables U.S. policy to target socioeconomic causes of insecurity by building state capacity and promoting inclusive development.

Liberal economic policies remain the norm throughout the hemisphere, despite longstanding debates as to the role of the state in domestic economies. For the most part, countries have made improvements in macroeconomic policy with some success. Inflation remains relatively low in most countries, averaging six percent in 2014 for most of the region. According to the World Bank, LAC’s middle class is estimated to encompass nearly 30 percent of the population. However, degrees of success vary across the region (see figure 4).

The IMF projects overall LAC growth to decline for the fifth year in a row – from 1.3 percent in 2014 to a projected less than one percent in 2015. The impact of global shifts in commodity prices is negatively impacting commodity exporters like Argentina, Brazil, Canada, and Venezuela, while the cost savings from the drop in oil prices is presenting economic opportunities to Central American and Caribbean nations. Meanwhile, Chinese financial largesse may decline as its economic growth slows and returns on existing loans become underwhelming, reducing the hemisphere’s governments’ ability to fund budget deficits.

Venezuela’s political and economic collapse could have severe consequences for countries that are dependent on Caracas’ oil supply guarantees and financial aid, namely

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**Figure 4: LAC Economic Growth Trends**

Sources: IMF, World Economic Outlook database; and IMF staff calculations and projections.
Cuba, Nicaragua, and many countries in the Caribbean. Brazil is in the midst of its worst economic recession in twenty years while its political system is facing a corruption scandal that may lead to further institutional paralysis. Economic stagnation and persistent inequalities coupled with institutional deficiencies and lack of political will to deal with the structural challenges facing these societies can lead to further weakening of democratic rule and enhanced social turmoil. U.S. policies in the hemisphere must encourage long-term structural reforms in order to enhance accountability, market openness and overall global competitiveness.

**Hemispheric Integration**

The hemisphere continues to develop and expand multilateral and regional/sub-regional political, economic, social, and security institutions. Despite the growing numbers of institutions, results across the hemisphere are mixed. Regional blocs like the Pacific Alliance are outperforming the Bolivarian Alternative for Latin America and the Caribbean (ALBA) and Southern Cone Common Market (MERCOSUR). Organizations such as the ALBA, the Union of South American Nations (UNASUR), the Central American Integration System (SICA) and the Organization of American States (OAS), among others, are impaired by ideological overtones, differences in regional priorities or issues of concern/interests, and lack of political will to truly integrate and collaborate. Furthermore, institutions remain largely state-centric missing opportunities to facilitate substantive engagement beyond the state. Still, the presence of these institutions is vital to creating opportunities for inter-American integration and collaboration on a wide range of converging interests.

United States policy should seek to reassert visible leadership in multilateral and regional/sub-regional organizations that advance common hemispheric interests. The U.S. should not shy away from engaging “other” multilateral organizations—like the Community of Latin American and Caribbean States (CELAC) for example—even if these organizations are viewed as largely ineffectual or seek to deliberately exclude the United States. The U.S. should seek every opportunity to communicate its vision and policy to the region, to states, regional bodies, and individuals alike—constantly seeking to present, defend and advance universal values.

**United States Policy in the Hemisphere**

United States government policy is critical in the expansion and deepening of U.S.-Latin America relations at the levels of interaction required to achieve influence (see figure 5). Only the U.S. government is capable of defining and pursuing U.S. national interests, but increasingly does so by using its instruments of national power to encourage and create the
space that enables the density of societal interaction across all of society in support of U.S. interests. In this context, Washington continues to drive and influence the political and legal framework by which not only states interact but non-state actors and individual contacts flourish. To that end, the U.S. must assert its leadership in developing partnerships with others in the hemisphere. As articulated in the National Security Strategy (2015), the U.S. must continue leading with strength, conviction, strategic vision, and with willing and capable partners—using all instruments of national power.16

As a way to describe the U.S. government’s strategic approach in a dynamic, complex hemispheric environment, this paper uses the organizational concept of DIME (Diplomacy, Information, Military, and Economics) to structure and explain a policy by which the U.S. can utilize the instruments of national power to engage and influence the different levels of interaction. These instruments of national power overlap across the levels of interaction, and when used effectively, the U.S. can magnify the multiplicity of ties within U.S.-LAC relations. In other words, U.S. influence and national interests lay in strengthening and deepening U.S.-LAC relations along the different levels of interaction. Washington plays a pivotal role in providing the appropriate framework for these ties to thrive.

**Diplomatic**

United States government interactions with its counterparts in the hemisphere continue to be the principal means of interaction and provide the foundation and structure in which hemispheric relations build momentum. In terms of the diplomatic tool, the U.S. must continue working with governments, non-governmental actors, and even individuals to provide the political and policy infrastructure and thrust to enhance U.S. influence while making progress in areas of mutual interests, such as strengthening democratic rule and human rights; promoting economic opportunities and integration; and addressing the challenges associated with human security.

The U.S. should invest its diplomatic resources on engaging throughout the Americas and the Caribbean across all levels of interaction. In North America, U.S. policy should center on integration and cooperation in energy, economic competitiveness, and security. A recent report from the Council on Foreign Relations indicates, “if the three North American countries deepen their integration and cooperation, they have the potential to again shape world affairs for generations to come.”17 Additionally, the U.S. should continue working with countries experiencing governance challenges, particularly those in Central America and the Caribbean, to support democracy promotion programs (rule of law, transparency, and institution-building support) and partner with governments and non-state actors to address the causes and consequences of human insecurity.

U.S. diplomatic interactions with willing partners must continue to focus on strengthening the Inter-American system. United States commitment to working through the Inter-American System, particularly through effective organs such as the Inter American Commission on Human Rights, Special Rapporteur for Freedom of Expression, and the Inter-American Defense College (to name just a few), remains critical to advancing U.S. interests by way of facilitating and strengthening collaboration along multiple levels of interaction. Strengthening and working through
multilateral entities should remain central because they can serve as useful platforms for the advancement of universal values like human rights, advancement of the middle class, inclusive socio-economic reforms, combating corruption, and protecting the environment. However, the current paralysis plaguing the OAS in some areas undermines both inter-American collaboration and the pursuit of U.S. goals and interests. Nevertheless, the U.S. should go beyond the status quo to revitalize a moribund system that has the potential to advance shared approaches to hemispheric challenges and opportunities.

As a complement to bolstering the inter-American system Washington must continue to leverage bilateral schemes with countries that have the political will to work with the U.S. on issues of mutual interest. The recent bilateral agreement on climate change with Brazil offers a useful example. However, there are limitations to bilateralism as it constrains the scope of engagement and the degree to which a particular challenge can be addressed in a highly transnational and rapidly evolving environment. As a response to the paralysis of multilateral mechanisms and the limitations or narrowness of bilateral arrangements, Moises Naim suggests a new path: “minilateralism.” By minilateralism Naim suggests a “smarter, more targeted approach: We should bring to the table the smallest possible number of like-minded countries needed to have the largest possible impact on solving a particular problem” or set of problems.\textsuperscript{18} This type of diplomacy can include governments as well as non-governmental organizations that understand that the global or transnational challenges of today cannot be solved by one country or even a set of countries that does not also include non-state actors. Supporting the Alliance for Prosperity in the Northern Triangle and encouraging the deepening of the Pacific Alliance process of economic integration (though the U.S. is not a member) provide effective opportunities to advance U.S. interests in the region through minilateralism.

Finally, the U.S. can use diplomatic tools working with other governments to promote people to people interactions. By providing the political and institutional support and structure for funding, the U.S. can facilitate interactions at the individual level. The most recent example of this is the outreach to the Cuban people by President Obama when he announced a thawing of relations with Cuba on December 17, 2014 and re-establishment of diplomatic relations between the U.S. and Cuba on July 20, 2015. The cornerstone of the policy is recognition that people to people connections matter and have the greatest prospects of achieving U.S. objectives and interests on the island.

Another important example is the Obama administration’s “100,000 Strong in the Americas,” signature education initiative. The program aims to increase the number of U.S. students studying in the Western Hemisphere to 100,000, and the number of Western Hemisphere students studying in the U.S. by the same amount by 2020. The initiative is supported by a fund established as a public-private partnership aimed “at enhancing hemispheric competitiveness, increasing prosperity, and providing study abroad opportunities to better prepare a globally aware and culturally competent workforce.”\textsuperscript{19} Student exchange is nothing new but the priority and political support given by this program has created the context for this type of interaction to intensify and advance U.S. interests and influence in the
region. These are examples of appropriate, innovative, and effective new initiatives.

**Information**

In this, the “information age,” the U.S. must be prepared to understand and engage in two-way public diplomacy to proactively shape the information space in support of U.S. policies within the hemisphere. This approach recognizes that information is among the most important instruments of national power as it can efficiently access all levels of interaction. When coupled with credible actions on the ground, information can maintain and expand U.S. influence in this hemisphere. Diplomatic, economic, and military instruments have more narrowly defined domains, and are to a significantly greater degree controlled by governments, but information is only constrained by the lack of fluid and timely execution of communication related activities. By its very nature, information transcends state borders and facilitates interaction that enables bonds to develop across states, non-state actors, and individuals. United States public diplomacy efforts should constantly stand up for and promote inter-American values and not be constrained by regional politics or the preoccupation of whether people like the U.S. government or not.

Shaping the information space, as directed by the National Security Strategy, is critical to maintaining and promoting U.S. interests and priorities. Nevertheless, the U.S. government’s recent forays in the information domain to counter unaccompanied minors crossing into the U.S. from Mexico or to help prepare partner nations for the potential spread of an epidemic like Ebola highlight the negative effects of an under resourced and poorly managed instrument of national power in this hemisphere. Information related capabilities (IRCs), such as public affairs/public diplomacy and information operations are low-cost, high-return capabilities that are required to advance U.S. national interests and priorities. However, trends are moving in the wrong direction. At United States Southern Command, IRCs have been cut by nearly 67 percent since 2013, severely limiting the Department of Defense’s ability to proactively engage with its regional partners or counter misinformation disseminated by state and non-state actors; similar trends exist in the Department of State as well.

The U.S. should dramatically reform and bolster its public diplomacy capacity, focusing on clearly defined messages to specific audiences across the hemisphere. Public-private partnerships are also instrumental in reaching broad audiences effectively. To expand U.S. reach and impact, it should capitalize on trusted agents to deliver its messages (i.e. local leaders, charities, business sector, etc.). The U.S. government’s messages must be built on a strong understanding of the audiences—meaning the information flow must be bidirectional. In other words, the U.S. must listen to the needs and interests of the hemisphere in order to effectively pursue positive sum opportunities.

Social media has become an important form of communication in the hemisphere, being used as both an instrument of vertical accountability and a means by which people-to-people interaction occurs. Today’s rich information environment has allowed citizens...
to voice their displeasure to the highest levels of government, with social media serving as an organization tool to hold its leaders accountable; recent anti-corruption protests in Brazil, Guatemala, and Honduras were planned and executed via social media outlets. Facebook, Twitter, WhatsApp, and YouTube have successfully linked communities, both in-state and internationally. Social media users are expected to rise to nearly 300 million users by 2018, an increase from 214 million users in 2014. The U.S. government’s current attempt to leverage social media falls short as it fails to truly connect people and ideas—it simply informs people about U.S. government activities. The U.S. must also attract the skill sets required to optimize the tools available to communicators today. The U.S. should better organize and expand its use of social media, in concert with other traditional forms of media (radio, TV, newspapers, etc.), to inform the hemisphere about U.S. policies, “and the people, values, and institutions which influence those policies.”

The U.S. lost a significant asset with the dissolution of the U.S. Information Agency (USIA) in 1999, and the subsequent decentralization of IRCs across the interagency. This has made it difficult for the U.S. to prioritize information programs and persistently deliver the U.S. message across all levels of interaction. Furthermore, the information space has become exponentially more complex since 1999, with the advent of rapidly evolving new media technologies, and a considerably more competitive presence of external and non-state actors in the region. Rather than focus on propaganda efforts—the negative association of the USIA during the Cold War—the U.S. should strengthen its information capacity to promote democratic principles (transparency, free speech, freedom of expression, social and economic equality, etc.), while countering messaging efforts by state and non-state actors that threaten the collective interests of the hemisphere. If the political and budget environment in Washington were to allow, it is worth considering the re-establishment of a robust institutional information management capacity to replace what was lost with the dismantling of USIA.

**Military**

The U.S. military will remain important in preserving and expanding common interests across the hemisphere. The U.S. military’s strong, long-standing relationships with its counterparts in the region can and should help ensure that these militaries maintain high levels of professionalism and a commitment to democratic principles as they face unique challenges. Militaries across the hemisphere are among the most trusted, adept, and influential institutions in their respective governments today—second only to the Catholic Church in many countries. This is particularly important given the declining legitimacy of other state institutions (judiciaries, legislatures, political parties, etc.). Somewhat worrisome, 40 percent of LAC citizens strongly support the military’s role in combating crime and violence, compared to six percent that strongly disagree. LAC militaries are increasingly being asked to serve in nontraditional roles, such as domestic law enforcement activities, environmental conservation efforts, protecting energy infrastructure, etc., many of which they are not well prepared for. LAC militaries will remain among the most influential institutions in at least the near-to-medium terms, and thus, the U.S. should strengthen military-to-military institutional links across the region and ensure
continuity in U.S. interests and democratic principles.

The U.S. military’s primary mission in the region must remain the professionalization of militaries across the hemisphere. It should also play a supporting role to the interagency in combating the security challenges facing the hemisphere—transnational organized crime, gangs, cyber threats, corruption, human rights, etc.—as well as continuing to build capacity in areas that enhance professionalism and interoperability such as peacekeeping, humanitarian assistance, and disaster response (HADR). U.S. military training should focus on deepening democratic and institutional reforms. Military-to-military engagements should continue to emphasize developing partner nations’ institutional capacities, strengthening transparency and civilian oversight, advancing the protection of human rights, and promoting career development, all contributing to overall defense institutions’ resource management capacity. The participation of regional governments and non-governmental organization civilians in existing U.S. military programs also encourages the promotion of domestic and international confidence building measures that can extend beyond the state. One example is the William J. Perry Center for Hemispheric Defense Studies at National Defense University that engages senior civilian and military security and defense professionals.

Sandi Burges, Bridge Ministries founder, and a U.S. soldier hand out donated soap kits at the Comayaguela Landfill in Honduras May 20, 2014.
from around the region “to build strong, sustainable networks of security and defense leaders and institutions.”

The U.S. military’s primary objective in the region is the same as it should be across the entire interagency community, strengthening institutional capacity in terms of uniformly accepted democratic principles. As such, the U.S. must review, and as necessary, modify and align its policies, programs, funding, and authorities to set the conditions and facilitate the U.S. military’s ability to effectively engage and achieve measurable progress. The tools available to the U.S. military include military training and education, military operations and exercises, and arms transfer programs, often through designated programs such as International Military Education and Training (IMET), Defense Institution Building (DIB), Defense Institutional Reform Initiative (DIRI), Foreign Military Financing (FMF), and Foreign Military Sales (FMS). Overall trends indicate a decline in military assistance to the region. There has been a nearly 50 percent decline in FMF in Latin America. IMET funding is significantly lower than FMF and has declined slightly between 2011 and the total requested in 2015 (see figure 6). The decline in resources allocated to U.S. military engagement in the hemisphere undermines our ability to bolster our relationships with military institutions across the hemisphere. Furthermore, hemispheric allies will look elsewhere for training and technical support if U.S. resources continue to decline.

It is no secret that the bureaucratic and cumbersome processes associated with FMF and FMS weakens U.S. military engagement efforts and undermines hemispheric preferences for U.S. equipment. These processes, which are outdated, have become more burdensome over time. The U.S. should overhaul these processes in order to bolster the U.S. military’s capacity to provide infrastructure and equipment to hemispheric militaries. For now, given the current challenges in moving

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**Figure 6: Trends in Military Assistance**

![Figure 6: Trends in Military Assistance](image-url)

Source: U.S. Department of State, Congressional Budget Justification for Foreign Operations
military equipment into the region, the U.S. military should place greater emphasis on building the people to people contacts between U.S. civilian and military personnel and security and defense professionals across the hemisphere. The Perry Center for Hemispheric Defense Studies, the Inter-American Defense College, the State Partnership Program—as well as the national defense colleges across the hemisphere—are all excellent venues to facilitate relationships between U.S. and hemispheric military personnel. These programs should be expanded. Additionally, USS Comfort, New Horizons, Medical Readiness Training Exercises, Defense Institution Building (DIB), and Humanitarian Assistance Program (HAP) funds, for example, build partner nation capacity and create vital links between the U.S. military and hemispheric militaries. These activities should be bolstered and remain at the forefront of the U.S. military’s engagement portfolio in the hemisphere.

Although the U.S. military is limited in its ability to engage beyond the state, centering on professionalization of the armed forces, with emphasis on training and educational exchanges, will reach all levels of interaction and build institutional links vital to advancing U.S. national security interests. Along these lines, the U.S. also should focus on leveraging capable and willing regional security exporters like Brazil, Colombia, and Chile and engage them in supporting less stable regions like Central America.

The U.S. must also reconcile the role it assigns to the U.S. military with the evolving roles of LAC militaries. The U.S. should not militarize its assistance to crime and violence-plagued countries in the region, namely Central America. The focus should remain on prevention and institution building. However, the U.S. military should stand ready to support interagency efforts to help regional militaries prepare for and mitigate the challenges associated with non-traditional missions. U.S. military engagement will prove more relevant than critics ascribe as the trends of deteriorating security, prosperity and stability in the region’s democratic states have led many countries to utilize their armed forces in efforts to restore stability. The transnational nature of many of the threats to these countries will make the establishment of common values between national militaries necessary to improve their ability to meet these threats as they cross each other’s borders.

Economic

Economic (and political) power are shifting away from governments and toward non-state actors, including individuals, who are increasingly shaping world events. Rather than getting in the way of this process, the U.S. should recognize and encourage the distinctive economic interconnections that exist between the U.S. and countries in the region. For instance, Washington needs to expand programs like the Small Business Network of the Americas that link small businesses in the U.S. with those in the Americas offering an opportunity to share experiences and know-how, while enhancing prospects for the expansion of trade and investments. They also create opportunities for engaging in the region at a level with the greatest impact on U.S.-LAC relations, helping to sustain U.S. influence in the Americas. Also, as discussed previously, private-public partnerships in the area of energy, financing and infrastructure development, for example, offer a differentiated and effective mechanism by which to promote U.S. economic interests.
“based on countries’ needs and capabilities rather than historic one-size-fits all approaches to the region.”

In the economic realm only the state is able to negotiate bilateral and multilateral agreements providing the political and legal framework governing all forms of economic engagement and interaction. For instance, without free trade agreements negotiated and signed by states, like those the U.S. has with Latin American countries facing the Pacific (except Ecuador) or bilateral investment treaties which the U.S. has with a number of LAC countries, private sector companies and investors would not be able to deepen economic ties. There are also areas that need greater efforts on the part of Washington and partners in the region in order to deepen these ties. Double taxation agreements, for instance, have long been called for by the private sectors in the U.S. and a number of Latin American countries. This is a particularly sensitive but significant issue in U.S.-Brazil relations. Such agreements establish “common standards and rules for each country’s tax revenue services, to avoid double taxation. Avoiding being penalized by paying taxes twice encourages new investments allowing for more productivity and new jobs and trade.”

By negotiating and signing such agreements, governments enable companies in the U.S. and the region to intensify their interaction, in turn, improving the lives of citizens in the hemisphere and enhancing U.S. influence.

In the end, however, it is up to U.S. companies to take the initiative and engage a more globalized regional environment in which many companies from within and out of the region are competing for markets and investment opportunities. The U.S. remains a dominant economic partner but alternatives abound. Despite diversification of trading partners and sources of investments from within and outside (mostly Asia) the region, the U.S. remains the first or second trading partner for nearly every country in the region, while foreign direct investments (FDI) in Latin America is twice as high as it was a decade ago, making the U.S. the largest source of FDI in LAC. A recent report from the Inter-American Dialogue (2014) notes, that “from 2000-2012, U.S. FDI in LAC increased by 83 percent, while LAC FDI in the U.S. rose by 43 percent.”

It is also important to note that about 90 percent of the $65.5 billion (2014) remittance income destined to the Americas comes from the U.S. These positive trends undercut arguments that the U.S. is losing ground in the region. China and other extra-hemispheric economic engagement in the region should not be seen as a threat but in fact an opportunity for the U.S. to ramp up its game and compete for markets and investment opportunities. The U.S. must leverage all the levels of interaction to expand our economic interests that, in the end, are mutually beneficial as this helps generate growth, employment and development across the Americas. Expanding trade and investments create the conditions for growth and economic opportunities if coupled with the appropriate structural reform that ensure that all benefit from greater economic integration.

The U.S. government must continue providing a political, legal and bureaucratic framework and the incentives necessary to facilitate trade and investments. Efforts to defund or shutdown the Export-Import Bank and the Overseas Private Investment Corporation, entities that promote small and medium businesses gain a foothold in emerging markets, are short-sighted and counterproductive. These agencies have a significant role in
providing opportunities and employment for U.S. and LAC businesses and workforces, while helping to sustain our influence in the region. This is the kind of engagement or interaction that makes a real difference in shaping and strengthening U.S-LAC relations.

Conclusion

For far too long experts and others that comment on U.S. policy toward LAC have failed to align their analyses and policy recommendations with the ever more complex and dynamic nature of contemporary U.S.-LAC relations. Critics often use outmoded Cold War frameworks to suggest that U.S. is “losing ground” in the region. Whether alluding to China’s growth in trade and investments or recent diplomatic “inroads” by Russia and Iran, utilizing zero-sum approaches ignores the complexity of hemispheric relations in the 21st Century. Finally, pundits point to the dramatic decline in economic and military aid or the absence of an all-encompassing policy with an exciting moniker such as the Good Neighbor Policy or the Alliance for Progress as proof that the U.S. is ignoring the region and therefore ceding influence to others with a clear anti-American agenda. In today’s context, however, these are not the best or most effective indicators for measuring the true level of support for U.S. policies or leadership.

The “real action” or impact is occurring below the state at other levels of interaction where non-state actors and individuals, such as universities, small to large companies, churches, transnational civil society organizations, media, etc. interact with their counterparts throughout the hemisphere in an organic way giving texture and meaning to U.S.-LAC relations. The role of U.S. government policy remains critical in hemispheric relations providing the leadership and policy outlines, international agreements, and political-legal foundation through which the U.S. as a nation engages the region. Globalization, technology and the concomitant empowering of non-state actors in the Americas has created space for the different levels of interaction to engage one another across borders in ways that make a difference in the everyday lives of citizens. It is for this reason that U.S. policy should focus on facilitating and expanding this interconnectivity, via the full range of instruments of national power, to create a context for strengthening partnership and opportunities for mutual gain while helping enhance U.S. interests and influence in the Americas. PRISM
Five months later, the region’s foreign ministers met in New York to further discussions on the strengthening of regulatory frameworks and electrical interconnections to achieve access to electricity for all citizens within a decade and improve the quality of life of the peoples of the Americas.


11 The Gini coefficient (also known as the Gini index or Gini ratio) (/dʒini/ jee-nee) is a measure of statistical dispersion intended to represent the income distribution of a nation’s residents, and is the most commonly used measure of inequality (Wikipedia).


13 Emilio Godoy, “Mexico’s Anti-Poverty Programmes are Losing the Battle,” Inter Press Service, August 2015, http://www.ipsnews.net/2015/08/mexicos-anti-poverty-programmes-are-losing-the-battle/


19 “100,000 Strong in the Americas Explained,” U.S. Department of State, 2015, http://www.100kstrongamericas.org/100000-strong-explained


22 Zechmeister, The Political Culture of Democracy.


Locals participate in an act of symbolic reparations in Antioquia, a state located in central northwestern Colombia.