

## A Critique of Kerry's Latin America Policy

By Tom Barry | July 26, 2004

Can we look forward to a “New Community of the Americas,” as candidate John Kerry has promised, in a Kerry-Edwards administration?

Unlikely.

Will U.S.-Latin American relations improve under a Democrat administration?

Very likely, given how badly relations have deteriorated under the current Republican administration.

When outlining his own policy agenda for Latin America and the Caribbean, John Kerry charged that the Bush administration's foreign policy has been characterized by “neglect, failure to adequately support democratic institutions, and inept diplomacy.” He criticized President Bush for his “one note policy” on trade and for failing to act as a good neighbor. In an address to the National Association of Latino Elected and Appointed Officials in late June 2004, Kerry said, “Instead of being a good neighbor, the president has ignored a wide range of ills—including political and financial crises, runaway unemployment, and drug trafficking.”

In contrast, Kerry proposes a “new community of the Americas” in which “neighbors will look after neighbors” and will “work together toward shared goals” and “mutual respect.” With his call for social clauses in trade agreements, a social investment fund, and increased support for democratic governance, Kerry gave his Community of the Americas policy agenda a distinctly liberal cast.

Moreover, he called for a policy of good neighbors, citing the administrations of Presidents Franklin D. Roosevelt and John F. Kennedy. Kerry would do well to remember that when Franklin Roosevelt first broached the concept of a “good neighbor policy,” initially in a *Foreign Affairs* article in 1928 and then in his inaugural address in 1932, he was proposing what amounted to a sharp break with the traditional foreign policy in the region. More than a rhetorical flourish, Roosevelt counterposed his good neighbor policy to the existing policy of military intervention and occupation, and ushered in a decade of vastly improved U.S.-Latin American relations. During his term, Roosevelt ended military interventions, insisted that the State Department end its patronizing

and racist characterizations of Latin America, and dramatically increased hemispheric consultations.

Such a new departure from past practices is once again urgently needed. But Kerry's vision, for the most part, is merely a collection of platitudes, and offers few departures from the current policy frameworks that characterize U.S. policy toward the region. Nonetheless, Kerry's “Community of the Americas” agenda does offer some important openings for dialogue about the principles and policies around which a hemispheric community might be based.

### Free Trade, Fair Trade

Kerry promises to renegotiate the Central America Free Trade Agreement, which five Central American nations and the U.S. government have already signed. Adopting the populist pitch of his running mate John Edwards, who campaigned on a protectionist platform, Kerry also promises to ensure that the negotiations for the Free Trade Area of the Americas and all future trade negotiations will include “strong protections for labor and the environment.”

Kerry's voting record puts him squarely in the camp of the free traders, having supported all the major free trade initiatives of recent years, including the North American Free Trade Agreement (NAFTA). As a candidate, however, Kerry has adopted a more nuanced position on trade agreements. He says that increased trade with “our allies and neighbors in Latin America” will “spark growth and strengthen ties between our nations.” Appealing to U.S. workers concerned about the weak job market and stagnant wages, Kerry says that “trade agreements that do not help workers, here or there, are not worth the paper they are written on.” As part of his Community of the Americas agenda, Kerry attempts to garner support from both sides of the globalization debate in the United States as he promises policies “promoting free and fair trade.”



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In contrast to Kerry, Senator John Edwards (D-NC) has opposed most trade deals in Congress on the grounds that they take jobs away from U.S. workers. During the primary campaign, Edwards boasted of his anti-free trade voting record, noting that he came from a family of mill workers and that free-market economic integration was eroding the manufacturing base of his home state, particularly the textile industry. Edwards, for example, voted against trade preference agreements that have given Caribbean and Andean nations increased access to U.S. food and textile markets. Bringing Edwards on to the ticket helps Kerry position himself closer to fair trade activists, labor, and economic sectors like agriculture and textiles that continue to benefit from U.S. protectionism.

How would the trade policy of a Kerry administration differ from that of the Bush administration or the Clinton administration? The trade position of a Kerry administration, like that of a second Bush administration, will depend much on the state of the U.S. economy, the trade deficit, the job market, and a new political balance between Democrats and Republicans.

It's unlikely, though, that Kerry will take up Clinton's strong advocacy of free trade as a force for global economic development, political liberalization, and U.S. economic growth and modernization. Unlike Clinton, Kerry is not a free trade ideologue and true believer. But like Clinton, and in contrast to Bush, Kerry is likely to be a stronger advocate for social clauses in trade agreements, if for no other reason than to placate labor and environmentalist constituencies.

During the Clinton years, the U.S. economy was booming. The free trade philosophy embraced by the conservative Democratic Leadership Council, together with most of the political elite, was widely regarded as the only viable framework for global economic policy. Other models for economic management—socialism, import-substitution industrialization, and European social democracy—had come up short, especially in contrast with the new economic dynamism generated by the rapid pace of global economic integration and global communications systems.

But today, this free trade philosophy is being widely questioned. No longer can free-market reforms be credibly advocated as a development solution. One has to look no further than Latin America to see the havoc wrought by free trade policies adopted by national elites and promoted by Washington in concert with the institutions of global economic governance. So intense is the backlash in an increasing number of countries—notably

Bolivia, Peru, and Argentina—that the U.S. Southern Command has identified “radical populism” as the new emerging security threat in Latin America.

Kerry's agenda for U.S.-Latin American economic relations offers no policy prescriptions to address the underlying structural obstacles to broad development in the region. Many of these deep-seated problems, such as landlessness, narrow tax bases, and rural and indigenous marginalization, demand domestic political solutions and lie outside the purview of U.S. foreign policy. But a bold vision for a “Community of the Americas” would at the very least mention these and other obstacles to development.

Instead, Kerry is content to repeat the mantra that social clauses should be integrated into economic integration agreements and to call for a new social investment fund. In this respect, Kerry's trade agenda mirrors the Clinton administration's dressing up NAFTA with side agreements and institutions such as the North American Development Bank and the North American Environmental Commission.

Tellingly, Kerry is mum with respect to the main negotiating demands of Latin American countries: end of U.S. agricultural subsidies, increased access to protected U.S. markets, and an end to the U.S. government's use of anti-dumping provisions to protect uncompetitive industries from developing country exports. Instead, Kerry says that free trade agreements mainly benefit our trading partners. Nothing about subsidies to agribusiness exporters that are flooding Latin American markets with cheap products. Nothing about how U.S. protects economic sectors, such as the sugar and citrus industries, that are uncompetitive in the world market. Taking up on Edwards' campaign lines when announcing his new vision for U.S.-Latin American relations, Kerry said, “We're gonna stop other countries from violating those agreements and walking away with the store.” According to Kerry, “If you give American workers a fair playing field, there's no one in the world that the American worker can't compete with.”

Such nationalist and populist lines may play well in Peoria, Illinois or Raleigh, North Carolina—but not in Latin America. They raise the prospect that the reflexive protection of all U.S. economic sectors—no matter how uncompetitive—will be a core principle of a Kerry-Edwards trade policy.

Clearly, if global or hemispheric economic integration is ever to enjoy broad popular support at home or abroad, political leaders must address the issues of capital flight,

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environmental degradation, and downward pressure on wages and labor organizing. But there is little reason to believe that social clauses inserted into trade agreements are the cure-all, as many advocates of fair trade assert.

As Kerry must surely know, any U.S. insistence that trade agreements include enforceable social clauses would be a nonstarter in trade negotiations with developing nations, whether in Latin America or elsewhere. In the absence of a massive U.S. commitment to raise living standards in the region, the advocacy of social clauses would be regarded as a protectionist ploy by both political elites and popular sectors.

In addition to social clauses in trade agreements, Kerry has trotted out the old language of a “social investment and development fund.” In the 1960s, the Kennedy administration, intent on halting the advance of leftist politics in Latin America, proposed an Alliance for Progress. In essence a multidimensional counterinsurgency campaign that included police and military training, the Alliance for Progress had the merit of honestly addressing structural causes for popular unrest and provided funds for agrarian reform, producer cooperatives, and rural integrated development programs directed toward the transportation, technical assistance, and marketing needs of Latin American peasants.

Today, Latin American society is more polarized economically than it was in the 1960s. Forty-five percent of the population is mired in wretched poverty. In the face of this impoverishment and the rising political instability, Kerry offers a \$500 million social investment fund mostly geared to promote small businesses and microenterprises. According to Kerry, the flow of more resources to “vocational training and micro-enterprises training and funding” will make millions of poor people into “stakeholders for reform.”

Although tying economic aid to business promotion may win some converts in U.S. Congress, which might approve such a program, it’s unlikely that a Kerry administration could gain approval for increased aid to Latin America and the Caribbean at a time of huge budget shortfalls and widespread domestic concerns about job creation at home. One possibility would be to divert existing flows of U.S. military and policy aid into development assistance. However, in his Community of the Americas proposal, Kerry made no mention of the fact that since the mid-1990s military and police aid to the region has increased more than three-fold—from \$161 million in 1996 to \$874 million in 2004.

## The Politics of Democracy Promotion

The core component of Kerry’s Community of the Americas agenda is its program for strengthening and promoting democracy in Latin America. Most encouraging is Kerry’s promise that the U.S. government will stay neutral in elections. According to Kerry, “When the United States picks favorite candidates, we weaken the integrity of those political processes. As often as not, our support can cause a backlash within a populace hypersensitive to meddling by the United States, as it did in Bolivia.” He might have added that it is also true that voters, cognizant of U.S. economic power, have proved more hesitant to vote for candidates criticized by Washington—not necessarily because they share the U.S. government’s opinion but for fear of U.S. retaliation. This was the case in recent elections in El Salvador and Nicaragua.

The Democratic Party’s candidate should also be credited for the following statement: “We should not countenance mob rule nor military force or inaction to oust an elected president.” Kerry pointed to the cases of Haiti and Venezuela, where the U.S. support of coup leaders violated the principle of support for the democratic process.

Kerry’s critique of the Bush administration’s role in the internal politics in Haiti and Venezuela also gives cause to hope for improved U.S.-Latin America relations under a Kerry administration. However, Kerry’s statement that Washington “should support legitimate democratic dissent,” pointing to Cuba and Venezuela as countries where U.S. support is need, is worrisome, given the U.S. history of “meddling” in the internal politics of Latin America.

Underscoring that concern is Kerry’s uncritical view of the National Endowment for Democracy (NED), a neo-conservative institution created during the Reagan administration as a channel for U.S. political aid to countries considered priorities in U.S. foreign and military policy. NED itself has established itself as a meddler in such countries as Nicaragua, Panama, Cuba, Haiti, and Venezuela. Despite this sordid history, Kerry proposes to triple NED’s funding. Such funding would enable the U.S. government to “increase NED’s work in training and organizing party leaders abroad.” At a time when Latin American societies are increasingly turning to populist and left-of-center leaders, such NED funding would surely privilege more conservative political parties, as it has consistently done in its two decades of political intervention abroad.

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As president, Kerry may find himself out of step with the political dynamics of Latin America. In his Community of the Americas proposal, Kerry focuses on Cuba and Venezuela. While democracy and constitutional rule are concerns in those countries, Kerry fails to move beyond the increasingly stale rhetoric of U.S. commitment to promote and strengthen democracy. How can there be an American community when the United States continues its illegal, counterproductive, and socially destructive trade embargo against one nation? Critiques of populist rule in Venezuela would have more weight if they were accompanied by an acknowledgment that the Chavez government has earned a good measure of popular support because of its promises and programs to help the landless, the destitute, and the marginalized.

If Kerry is serious about trying to make the United States “a true beacon for democracy and progress in our hemisphere,” if he is serious about having the United States be respected as a good neighbor, his administration will need to move beyond platitudes about democracy and good neighbors. Nowhere in Kerry’s agenda does one detect more than a superficial understanding of Latin American and Caribbean realities.

## Common Battles

Kerry has not said much about the pattern of increasing U.S. military and police aid to Latin America and the Caribbean despite the constantly revolving rationale for such aid. For four decades, during the cold war, the justification for building relations with the region’s security forces was that such assistance prevented the rise of communist, socialist, and leftist political movements. At the cold war’s end, U.S. aid to the region’s armed forces was dramatically curtailed. However, the U.S. military, which had previously been disinclined to involve itself in drug prevention, latched on to the so-called drug war as the new justification for its military and police aid and training.

By the end of the 1990s, the supporters of such aid had gradually changed the argument for increasing the level of U.S. aid and involvement—from fighting the drug war, to assisting the Andean countries (mainly Colombia), to waging war against the narco-guerrillas. Today, the arguments for most U.S. military aid are framed in the context of the “global war on terrorism.” Having moved from a war against international drug cartels to war against narco-guerrillas, the Bush administration and the U.S. Southern Command now say that they are engaged in a war against “narco-terrorists.”

Kerry apparently has no problem with these changing rationales for U.S. military aid and presence in Latin America. Instead, he assumes Latin American support for U.S. national security strategies in the region. “In the war on terror, in the war on poverty, in the war on drugs, in our many common battles, we must look to our neighbors as partners, not as second-class citizens, so this can truly be the Century of the Americas,” pronounced Kerry.

Such rhetoric is as delusional and dangerous as the visions of the Bush administration. Kerry is badly mistaken if he truly believes that Latin American and Caribbean populace sees the war on terrorism or the war on drugs as common battles.

## A New Good Neighbor Policy

Kerry got much of the language right in his plan for a New Community of the Americas, but his policy prescriptions fall short or miss the mark altogether. For all the faults of his policy vision, a Kerry administration would likely mean improved U.S.-Latin American relations. But that won’t take much given how badly relations have deteriorated under the current administration.

However, if Kerry is serious about his ambition of having the United States be viewed as a good neighbor that treats the region with respect and helps with problems in the neighborhood, he must commit his administration to a more coherent set of principles.

Kerry is right to criticize the Bush administration for its failure to respect democratic processes. However, a Kerry administration will be vulnerable to the same criticism if Kerry follows through with his promises to triple NED’s democratization programs, which use political aid to support internal actors favored by the U.S. government. It should not be the role of the U.S. government to “support legitimate democratic dissent.” Latin Americans can organize their own political opposition and movements. For the United States to be a good neighbor it should assure the peoples of Latin America and the Caribbean that it will end its practice of forcing their governments, either by itself or through the international economic institutions, to apply economic policies that disadvantage the poor and privilege the elites.

Kerry is right to stress the importance of democracy. Over the past two decades, the region has made major strides in transitioning from dictatorships and military regimes to democratic governance. But his concerns are misplaced. The main challenges to democratic consolidation are not Cuba and Venezuela, as Kerry implies.

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Throughout the hemisphere, including the United States, there is deepening disillusion with the democratic process. Voter participation is slipping precipitously, while at the same time more citizens are taking to the streets to make their voices heard. If the Kerry administration is to be a good neighbor, it will need to listen to these voices of protest, as should the region's political leaders.

As the world's most powerful nation and the major influence in establishing the direction of global economic policy and the policies of the IMF, World Bank, and World Trade Organization, the U.S. government has a special responsibility to promote economic reforms that give land to the landless, provide technical and marketing assistance to small farmers, increase taxes on the wealthy, and lay the policy foundation for living wages and full employment. No amount of political aid and insistence on the value of democratic governance will maintain political stability in the hemisphere if social and economic conditions for the majority continue to deteriorate.

Kerry has proposed a Council of Democracy to support the democratic process in the region. No such council is needed. A new good neighbor policy would instead commit the United States to strengthening the Organization of American States (OAS) as a multilateral institution (that includes Cuba) that is not beholden to Washington but only to the interests of the entire hemispheric neighborhood. If political or military intervention is needed to restore peace and political stability, it should be the OAS that makes this decision. By making such a commitment, a Kerry administration would go a long way toward creating a new community of the Americas.

Clearly, a new approach is needed to economic integration that incorporates the lessons learned from the successes and failures of NAFTA. Kerry is right to criticize the "one-note" character of current trade and investment negotiations. But a two-note approach to economic integration—one that insists on having social clauses accompany U.S. liberalization demands—would likely be as bad or worse. Kerry may win some favor among voters when he says that the United States needs a "level playing field" to compete internationally. However, that populist rhetoric will earn him no respect or credibility in Latin America, where both governments and societies see themselves on the sharp downside of the hemispheric playing field in international trade and investment.

If Kerry is truly interested in establishing a new community of the Americas, he should look to the practices

of the European Union, which has provided generous trade preferences and assistance that aim to raise living standards and economic productivity in less developed countries like Portugal. The challenge, of course, is much greater in the Western Hemisphere, where there are so many more poor neighbors. But if the United States is to help construct a hemispheric community rather than building a Fortress USA, it must commit itself and the international economic institutions to broad economic development strategies that keep rural communities on the land and foster dynamic industrial sectors. U.S. immigration policy needs reform, but there can be no lasting solution to immigration issues without policies that encourage Latin Americans to see opportunity at home rather than in *el norte*.

The New Community of the Americas should be a demilitarized community. If the United States is to be a good neighbor, it must take the message of disarmament and demilitarization to Latin America and the Caribbean. As history has repeatedly demonstrated, U.S. military aid and intervention is too often counterproductive. Dragging our neighbors to the south into our own misguided wars on terrorism and drugs, as Kerry seems to advocate, will prove just as detrimental to the region as was the cold war history of propping up national security states. Providing generous military aid and training to the region's armed forces in the name of promoting democracy, winning the drug war, fighting the global war on terrorism, or protecting fragile states against "radical populism" is not the kind of neighborly support the Latin American and Caribbean people need.

A new good neighbor policy would be welcome in Latin America, just as Roosevelt's dramatically new approach to hemispheric relations was in the 1930s. Kerry's agenda, while an improvement over the current bad neighbor policy of the Bush administration, is shallow and formulaic. His vision of a new community of the Americas represents the caution, compromise, and hyperbole of a politician—not of a bold leader or a good neighbor. However, faced with the prospects of another four years of bad neighbor and arch-conservative George Bush, Latin America, along with the rest of the world, will likely welcome a change in the U.S. administration.

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