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NATIONAL WAR COLLEGE
NATIONAL DEFENSE UNIVERSITY
2 March 1998

REGIONAL ASSESSMENT OF
SOUTH AMERICA

Core Course 5604

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Class of 1998

Seminar J
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Report Documentation Page

Form Approved
OMB No. 0704-0188

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1. REPORT DATE 1998		2. REPORT TYPE		3. DATES COVERED 00-00-1998 to 00-00-1998	
4. TITLE AND SUBTITLE Regional Assessment of South America				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) National War College, 300 5th Avenue, Fort Lesley J. McNair, Washington, DC, 20319-6000				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT see report					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES 11	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

U.S STRATEGY FOR SOUTH AMERICA THROUGH 2010

The South American Context for U.S Strategy

The vast South American continent poses some conceptual challenges for most North Americans. Simply using the term "Americans" (referring to U S citizens) can be a source of some sensitivity as South Americans also fiercely consider themselves Americans. Their self-identity, however, is not the same as that of North Americans for considerable historical and cultural reasons. The historical and cultural context of South American identity helps to explain what U S policies may or may not succeed--and how they might be perceived in the region.

Spanish and Portuguese colonialism in the continent left a heritage remarkably different from the U S and Canadian colonial experience. In South America, colonizers came to extract anything of value from the continent, not to settle. In this mercantile arrangement, the King, sanctioned by the Church, was the primary beneficiary and those who exploited the land did so in his name. This arrangement resulted in a strongly hierarchical society that depended upon the strong sovereign for protection and basic subsistence--and license to exploit in his name. Although most of South America received its independence by the 1820s, this pattern of social interaction that bred respect for central control and hierarchy remained the same, replacing allegiance to the European sovereign with that of "strong man" rule.

Since achieving independence, most South American countries alternated between civilian and military strong man rule with devastating results for their economies, inequitable

distribution of resources, and disregard for human rights in the name of "saving the nation " As a result of the failure of military governments to stave off economic disasters, the last two decades have seen a resurgence in democratic government and economic reform, although both are still fairly fragile.

While significant U S. interest in the region began as early as the 1880s, South Americans perceived U S policies and attention as inconsistent due to higher U S security concerns in other parts of the world With the end of the Cold War, the U S. has turned its focus to South American economic potential and those issues of transnational concern. Complicating this renewed interest is the South American perception and suspicion of external intervention and threats to sovereignty.

Assumptions

Despite important U S interests in the region, Americans do not generally perceive South America as having primary importance in their world view However, we assume the current trends of economic globalization will continue through the 2010 time frame This economic global expansion will certainly include South America, which will therefore become more important economically to the U.S. Already, in 1996, total U S exports to Brazil alone were nearly \$1 billion

We also assume that as trade expands between North and South America, democratic trends in South America will continue to strengthen Despite border issues between Peru and Ecuador, we further assume no major military conflict between South American states that will permanently reverse the trends of expanding trade and democracy

2

With regard to the U.S., we anticipate no major military conflicts between the U.S. and any other country, nor do we anticipate any serious U.S. economic crisis threatening the political will to expand trade with South America. Finally, the strategy described herein assumes Congress and the U.S. public can be convinced that a Free Trade Zone in the Americas is their national interest.

US Interests

Oil from Venezuela is a vital U.S. interest representing 25% of our oil imports. It is important as an alternative source to Middle Eastern oil. Regional security, trade, promotion of democracy, and transnational issues such as immigration, drugs, environment, and crime are of U.S. national interest. These issues pertain to our own domestic drug problem, but particularly contribute to the social, economic, and political tensions that foster or retard economic and political stability in South America.

Threats, Opportunities, and Challenges

Transnational issues are the primary threats to U.S. interests in this region. Threats from uncontrolled immigration among South American countries put dangerous pressure on infrastructure, availability of resources, and government ability to provide basic needs. This creates social upheaval and a crisis of confidence and legitimacy that threaten democracy's delicate hold. With regard to illegal drugs, current efforts have failed to control their cultivation, production, trafficking and the endemic corruption and violence associated with this industry. According to Eduardo A. Gamarra, in testimony before Congress on 8 October 1997, "competing international and domestic pressures . . . could have serious repercussions for the political

stability of individual countries. In some places, the very survival of countries and their governments may be threatened.”* The threat lies not just from criminal drug elements. Social upheaval, whether its cause is a lack of resources made acute by poverty and illegal immigration, or by civil government’s inability to provide infrastructure, encourages the South American military’s natural inclination to seize power and “save the nation.”

Environmental concerns primarily center on Brazil and its use of the Amazon Basin. Exploitation of this area, as well as other regions of South America, is not simply a "good versus evil" issue. It involves compromises over limited economic options. On the one hand they have dire poverty and limited employment opportunities. On the other hand, the Amazon Basin represents a vast national resource whose fate Brazilians feel they alone have the right to determine.

The inability to effectively control crime and corruption also threatens the viability of the region's democratic governments. This has economic implications both internally and externally. Internally, it creates a distrust of government and contributes to the poor distribution of wealth. Corruption is antithetical to good government as it hampers incentive to work for the public good. Beyond internal concerns, crime and corruption discourage foreign investment by creating a crisis of confidence for conducting business. Both crime and corruption contribute to the economic problems endemic to South America.

Amidst this sea of woes there are rays of hope. Opportunities exist to increase cooperation by assisting South America in developing its own solutions to these problems. The U.S. must not be perceived as imposing foreign solutions on South Americans, regardless of how

* Eduardo A. Gamarra, testimony before the House Committee on International Relations, Subcommittee on Western Hemisphere, U.S. Congress, 8 October 1997, accessed on 23 February 1998 via the internet at <http://www.elibrary.com>, page 6

effective we may think our solutions may be. The U.S. can increase regional trust by being more consistent in developing and applying our South American policies. For example, the failure to convince the U.S. Congress and public of Fast Track's virtues created the impression that the U.S. is not serious about free trade. The resolution of free trade issues can bear very positive results for all parties concerned. Furthermore, the U.S. drug policy's annual cooperation certification is often waived for economic considerations and thus sends mixed signals. This cooperation certification process is perceived as a national indignation by a foreign power that fails to consider local South American conditions.

Strategy

The U.S. must develop a coherent strategy and regain our leadership role in the region. At present, we do not have a coherent strategy, which results in misunderstandings, inconsistencies, and unintended consequences that damage our relationship with South American countries. A coherent strategy requires regional engagement at multiple levels. Engagement includes renewed emphasis on regional organizations assisting countries in developing their own appropriate solutions without appearing to dictate. This renewed emphasis includes greater visibility and participation of more senior U.S. officials at conferences. Renewed emphasis must also include delivering on commitments made at regional conferences, such as those made at the Summit of the Americas and Rio Conference, as well as those made at lower level conferences. This also involves insuring Congressional and public support for administration positions so commitments made at conferences can be met.

We can capitalize on past close military ties even as the region undergoes a transition from focusing on traditional military missions to peacekeeping and supporting their own

democracies. In Bolivia, for example, the government is refocusing the military's role against narco-trafficking. Somewhat analogous to the U.S. model, the Bolivian military concentrates on providing transportation for the police while the police concentrate on actual counter-drug interdiction. We should continue providing and encouraging mutual military training and exchange programs through which we can develop closer ties and provide a model for civil-military relations. Again, in Bolivia, the region sees its problems less in traditional military threat terms and more in terms of ethically distributing goods and services. Their answer is to take more of an economic, political, and educational approach (requiring a Bolivian and U.S. joint effort) rather than seeing the problem in strictly military terms. Existing numerous senior-level military conferences already provide fora for discussion of issues and development of solutions of mutual concern. These should be continued and expanded on the civilian academic level for issues involving economic and political development. The underlying theme for South Americans is to develop mutual cooperation as partners in solving global, not merely regional, problems rather than simply seeking monetary assistance.

Given U.S. political prestige and monetary leverage with international assistance organizations like the International Monetary Fund and World Bank, we should use our influence to develop assistance programs that consider country-specific needs and national desires rather than imposing foreign solutions that ignore national aspirations. The Bolivians, for example, see their problem of ethical distribution of goods and services as one involving a "vicious cycle of corruption, narco-trafficking, and poverty. To them, these are the three societal factors most affecting their national security and development.

South Americans are acutely aware that societal problems are not unique to their hemisphere. From their perspective, the huge North American demand for illegal drugs is the

major contributor to the global narco-trafficking problem. As such U S demand is a mutual concern that requires mutual cooperation. In this light, we should seriously reconsider U S drug policies particularly as they affect U S. demand. This should include strengthening prevention programs to reduce U S domestic drug demand, and serious consideration of decriminalizing drug production and abuse by treating it as a medical rather than criminal problem. This would eliminate the profit incentive, reduce demand through medically supervised treatment, reduce crime, and ease the social tensions at home and abroad that strain democratic institutions. The sources of societal strain. corruption, narco-trafficking, and poverty are the most serious threat to South America's developing democracies. If left unmanaged, these strains pander to historical and cultural inclinations toward "strong man rule," and are thus not in the U S interest of promoting democracy and broad based economic development. If this policy is adopted, consideration must be given to assist countries in their transition away from drug dependent economies

Beyond financial assistance and developmental cooperation, South Americans seek technology and increased market access. The U S can provide these in abundance for our mutual economic and societal benefit. With all of the above in mind, the U S should review all current policies and programs for consistency with this overall strategy, discontinuing or modifying those which are inconsistent with this policy

Objectives

Given the broad scope of this South American strategy, one can achieve the recommended multi-level engagement by committing resources against our strategic objectives

These objectives include ensuring unfettered access to oil at reasonable prices. To prevent being perceived as only self-interested, we must develop better, more equitable relations with the region. To this end, we must meet our commitments to expand trade and provide mutual access to open markets between the hemispheres by establishing the Free Trade Area of the Americas pact. We must also assist the region in developing sustainable economic growth by providing scientific and technological advice and assistance regarding environmentally sound practices. All of these objectives promote and enhance democratic institutions in the region, enhancing stability and increasing economic transparency.

Means of Influence

To achieve these objectives in support of our overall strategy we have a variety of tools at our disposal. Our primary tool is economic. South Americans want U.S. financial assistance and cooperation in getting support from the International Monetary Fund, World Bank, and the Inter-American Development Bank. This will provide them the loans they need to pursue their economic development. Beyond the purely financial instruments, we can provide South America the scientific and technical assistance it seeks through exchange programs with scientific, business, and academic institutions. As the sole remaining superpower, the U.S. has significant political, diplomatic, and military prestige and influence it can use to benefit U.S.-South American relations. Through organizations such as the Organization of American States, Inter-American Defense Board, and other inter-American military and political organizations we can develop better working relationships with our neighbors to the south.

Conclusion

“Benign neglect,” is the common South American characterization of U.S. strategy in their hemisphere. As we look to 2010, we propose a strategy of *active leadership and engagement*. U.S. leadership, working *with* South American leaders, can take pre-emptive action curbing the transnational threats of drug trafficking, illegal immigration, and environmental destruction.

South America offers the U.S. a rare opportunity for increased domestic economic prosperity with respect to both national security and expanding markets. The continent provides a geographically-close alternative source of oil reducing U.S. vulnerability to volatile Middle Eastern sources. South America offers us a lucrative market for goods and services rivaling potential markets in more distant Asia.

Given South American desire for U.S. assistance and cooperation in modernizing their technology and infrastructure, U.S. leadership in the southern hemisphere is ours to seize—or lose to foreign influence. This opportunity is especially attractive in light of competing trading blocs emerging in Europe and Asia. Should we accept this leadership challenge, the rewards go well beyond mutual financial gain. U.S. economic and technological engagement strengthens the continent’s emerging democratic institutions by creating the foundation for societal stability, prosperity, and protection of human rights. Stronger democracies give people hope, hope to improve their lives, their fortunes, and their governments’ legitimacy. These factors tend to decrease social tensions, preventing a return to autocratic rule and creating a more positive investment environment. Finally, the next decade gives us the chance to create a new geopolitical and economic reality involving South America, it offers the U.S. a politically pro-active, economically attractive foreign policy protecting interests of *Pan-American* concern.

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