



# IPRIS Viewpoints

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## In Defense of Benign Neglect

SEAN GOFORTH

Author, *Axis of Unity: Venezuela, Iran & the Threat to America*

Affiliated Researcher, Portuguese Institute of International Relations and Security (IPRIS)

Hugo Chávez lies in tomb at Venezuela's military academy, Cuba's economy creaks unsteadily open, and Washington's loyal friend Mexico stands poised to reassert its influence across Latin America. American students of foreign policy see a window of opportunity, and they are clamoring for stepped up US involvement with its neighbors to the south. The New America Foundation's Parag Khanna has urged US policymakers to "look south, not east"; *New York Times* columnist Thomas Friedman and *American Interest* co-founder William Russell Meade are just two of the notables who have echoed that view.<sup>1</sup> But in doing so, many are also chiding the recent era of "benign neglect" that has characterized US-Latin American relations. (Coined by Sen. Daniel Patrick Moynihan to describe inner city violence in the 1960s, "benign neglect" was appropriated by Latin Americanists after an influential 1973 *Foreign Affairs* article.<sup>2</sup>) Prominent among them is *Foreign Policy* magazine CEO David Rothkopf, who warns that because "the D team" of

foreign policy has managed President Barack Obama's Latin America policy the president is "presid[ing] over the descent of US-Latin America relations to their worst level in years".<sup>3</sup>

In some respect, he's right. Washington has no envoy shuttling about Latin America, much less an express initiative aimed at achieving region-wide peace. Instead of schemes to incite a group of allies to counterbalance a foe, Wikileaks cables showed persistent US indifference to Latin American affairs. Nearly a decade has passed since the United States expended real effort to create an Alaska-to-Argentina free trade zone. Beyond regular dealings with Mexico and Colombia, the State Department and other arms of the US government expend little energy on Latin America.

Yet Washington's aloofness is hardly a sign of short sightedness. If anything, it shows a historical awareness that whenever the United States has tried to use Latin America as the key to its global grand strategy, it jams the lock. And contrary to what Rothkopf and others would have people believe, disengagement does not amount to US decline. Rather, without so much as a pat from Washington, Latin America's political landscape is moderating, with radical regimes increasingly marginalized at

1 Parag Khanna, "Look South, Not East" (*Foreign Policy*, 11 November 2011); Thomas Friedman, "Is Mexico the Comeback Kid" (*The New York Times*, 23 February 2013); Walter Russell Meade, "Thomas Friedman Gets Mexico Right" (*The American Interest*, 24 February 2013).

2 Gustav H. Petersen, "Latin America: Benign Neglect Is Not Enough" (*Foreign Affairs*, Vol. 51, No. 3, April 1973), pp. 598-607.

3 David Rothkopf, "The Blind Spot" (*Foreign Policy*, 16 July 2013).



the same time that the region transforms into an economic bloc of consumers, which will inevitably benefit US companies and may well serve as the basis for a long overdue regional integration agreement.

### **A Decade of Disengagement**

From 2002-2006, the United States disengaged from Latin America. It drew down dramatically the number of soldiers at US bases in the region, and quietly looked on as the proposed Free Trade Area of the Americas languished, then died, its final rites performed by South America's newly elected populist presidents. In Washington's wake, China skied into the region. From 2006-2011 the Chinese industrial maw consumed Latin American commodities at a furious pace, which drove regional economic growth above 5%. For countries like Brazil, the boom times were barely interrupted by the onset of global financial crisis in 2008, or the subsequent euro zone recession. In 2010, Brazil's economy grew by 7.7%, the largest annual increase the country had seen in almost 30 years. So whereas in the 1990s developing countries might have counted on exports to America and Europe for any chance they might have to climb the development ladder, during this recent era Latin America notched record levels of growth, and eradicated extreme poverty through most of the region, all while reducing its reliance on trade with the West.

The foremost point here is that recent US disinterest in Latin America has not hurt the region, at least so far as the region's economies are concerned. "Under cover of [US] benign neglect", wrote Council on Foreign Relations scholar Shannon O'Neill in July, "the region has dramatically changed, mostly for the better".<sup>4</sup> True enough, the record level of growth was well marshaled by a number of presidents to reduce extreme poverty to a few pockets of the region. Still, there are at least two other derivatives from this point that the "benign neglect" crowd has overlooked.

### **Expect the Unexpected:**

#### **A Pivot toward US Re-engagement**

The first omitted point is the United States has benefitted from developments south of the border as well, albeit in a slow and often indirect fashion. Lawmakers in Washington who took seriously Hugo Chávez's puffery about diverting Venezuelan oil to China helped free up restrictions on shale gas fracking, which has eased the way for America's current oil and gas bonanza.

Estimates vary about how many jobs will be created and other long-term effects, but even at this early stage in the shale boom it is clear that the US economy will be bolstered in multiple ways. Jobs will be created, and low natural gas prices will give spending power to consumers

and businesses in the United States. The domestic windfall will help mend the US trade balance because less gas will be imported. Eventually US-based energy firms will branch out, partnering with state-owned companies in China, Argentina and, in all likelihood, Mexico, in order to retrieve enormous shale reserves that would remain in the ground without American technology.

Meanwhile, the fallout from Chávez's assertion of complete control over his country's oil industry led many Venezuelan engineers and oilmen to flee across the border to Colombia, where they now helm that country's oil boom. Five years after Hugo Chávez roiled energy markets through his close ties to Iran and avowals to cut off Venezuelan oil exports to America, the supply of US oil imports are more stable than at any time in recent memory.

Further good news is that less of that fuel will be needed to ship goods across the Pacific from China. That's because the commodity-craved binge that China has been on over the past decade drove up wages there, which are now on par with the many Latin American countries. To save money and bring goods to the American market more quickly, many firms are opting moving operations from China to "the nearshore", especially Mexico. Even Apple, whose founder Steve Jobs famously told President Obama that manufacturing jobs offshored to China were never "coming back", once again began making computers in the United States this year.

Second, several Latin American nations are now more enthusiastic about US involvement in the region. Much of this sentiment owes to a gradual recognition of economic dependence on China, as well as a growing suspicion among technocrats that China's influence over Latin America corrodes political institutions. Still, the face of Latin American outreach to the United States remains veiled behind inconvenient realities: the Obama administration has cooperated only reluctantly with longstanding US allies, chiefly Mexico and Colombia, and the express "pivot" to Asia seems only destined to snag over lingering US commitments in the Middle East.

At the same time, anti-American sentiment persists throughout Latin America. Thus, instead of seeking intensive US reengagement with Latin America, those seeking stronger US-Latin American ties have pursued their ends by indirect means. These include membership in the Trans-Pacific Partnership (TPP), which was a multilateral trade zone set to cohere a speckling of Asian and American Pacific states until the US agreed to seek membership. The pivot, then, could be set to continue, and the Latin Americans could still appear to wave America off from the near shore, but the with the result that by the time President Obama leaves the White House the United States might belong to a trade zone that would realize the aim of hemispheric free trade, minus Brazil. Provided, that is, the TPP enters into force.

Beyond that, Peru, Colombia and Chile have taken steps

<sup>4</sup> Shannon O'Neill, "Latin America's Secret Success Story" (*Daily Beast*, 16 July 2013).



to bolster Mexico's profile within the region. In 2011 Alan Garcia, Peru's outgoing president, vowed that Mexico's stepped up involvement in South America would have "revitalizing effects".<sup>5</sup> And while he explicitly referred to the benefits from increased trade within the region, a re-ascendant Mexico would inevitably yield another result: Brazil's influence in the region would wane. That would represent a *de facto* victory for US diplomacy.

A less active US foreign policy to Latin America has been misconstrued as a sign of Yankee decline, when all it really means is risky high-level diplomacy is not needed to satisfy the national interest. US-Latin American relations post-9/11 have been more mutually beneficial than at any other time in the past century. If this is neglect, benign or otherwise, let it be.

5 "Peru/Mexico Sign Trade Agreement, First Step for a Regional Expansion Toward Asia" (*Mercopress*, 11 April 2011).

**EDITOR** | Paulo Gorjão  
**ASSISTANT EDITORS** | Kai Thaler • Sean Goforth  
**DESIGN** | Atelier Teresa Cardoso Bastos

Portuguese Institute of International Relations and Security (IPRIS)  
Rua da Junqueira, 188 - 1349-001 Lisboa  
PORTUGAL

<http://www.ipris.org>  
email: [ipris@ipris.org](mailto:ipris@ipris.org)

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