



U.S. and
EUROPE_____

Latin America: THE ROLE of EXTERNAL ACTORS.

ANTECEDENTS



Reviewing Antecedents

Since the 16th century many events in the Latin American region have been directly related to those that took place in other areas of the world (e.g. Europe).

New Spain (Mexico) and Peru became critical colonies for the Crown of Spain because of their production of metals (silver and gold). Their links, however, were always characterized by asymmetry (dependency). Meanwhile, Brazil was conquered by Portugal.

Reviewing Antecedents

One of the factors that fostered the independence of Latin American colonies was external: the invasion of the Iberian peninsula by the French army of Napoleon in 1804.

This situation generated a power vacuum. In the Spanish-speaking colonies many *criollos* and other groups perceived a window of opportunity to declare independence since the metropoli was in foreign hands.

King Joao IV of Portugal left his country and took refuge in its major colony: Brazil. His successors (Emperors Pedro I & Pedro II) were part of parliamentary monarchy that was in place until 1889. For this reason, Brazil had a unique and peaceful transition to independence.

Reviewing Antecedents

During the 19th century, the rivalry between the foreign powers (the U.S. and European countries) had many consequences in Latin America. There existed a competition for: better trade deals, the granting of loans, and the access to raw materials and opportunities to investing.

IN THIS SCENARIO, THE U.S. AS AN EMERGENT POWER ISSUED THE MONROE DOCTRINE IN 1823: *AMERICA* [UNDERSTOOD AS THE WESTERN HEMISPHERE] *FOR THE AMERICANS* [NOT FOR EUROPEANS].

Reviewing Antecedents

HOWEVER, BETWEEN 1860 AND 1864 (DURING THE U.S. CIVIL WAR). FRANCE SENT ITS TROOPS TO OCCUPY MEXICO WITH THE ARGUMENT THAT THIS COUNTRY HAD A CONSIDERABLE UNPAID DEBT. FRANCE IMPOSED AN EMPEROR IN MEXICO: THE AUSTRIAN PRINCE MAXIMILIAN. THE CONSERVATIVES IN MEXICO SUPPORTED THE ACTION.

BECAUSE OF EVENTS IN EUROPE THE FRENCH TROOPS WERE ULTIMATELY REMOVED. AT THE END. THE MEXICAN LIBERALS CAPTURED AND KILLED MAXIMILIAN, RESTORING THE PRESIDENTIAL SYSTEM.

Reviewing Antecedents

THE U.S. CONSOLIDATED ITS TERRITORIAL EXPANSION IN NORTHERN LATIN AMERICA AND THE CARIBBEAN AFTER 1836, THROUGH ACTIONS, SUCH AS:

- **the support to Texas' independence from Mexico (1836);**
- **the war with Mexico (1847-1848) and the acquisition of the current U.S. southwest; and**
- **the control of the Caribbean (that became “the American Lake”) by defeating of Spain in 1899 in *the Perfect Little War*: Puerto Rico as Associated State, and the neocolonial status of Cuba.**

Reviewing Antecedents

IN THE EARLY 20th CENTURY, Theodore Roosevelt's Corollary (or "Big stick policy") pointed out that the U.S. was committed to correct the "wrongdoings" that could take place in Latin America, e.g. during the Mexican Revolution. Check: *The Storm that Swept Mexico* <https://www.youtube.com/watch?v=pVWcgOcvgV0>

THE U.S. CONSOLIDATED ITS ECONOMIC AND POLITICAL INFLUENCE IN LATIN AMERICA in the first decades of the 20th century (AND SPECIFICALLY IN SOUTH AMERICA AFTER THE END OF THE SECOND WORLD WAR).

Reviewing Antecedents

During the “Cold War,” the U.S. took various actions in Latin America, in order to “drawing the line to the Soviet Union,” e.g.

- **Supporting the coup d’etat against the democratically-elected President Jacobo Arbenz in Guatemala (1954). His regime was labeled as a “socialist” one.**
- **The [unsuccessful struggle] against the [socialist] Cuban Revolution from 1959 on.**
- **Taking sides in the civil wars of Nicaragua (fostering a guerrilla movement: the *Contras*) and El Salvador (against the “socialist” guerrilla: FMLN) in late-1970s & 1980s.**

Reviewing Antecedents

From the 1990s on , during the [new] globalization various countries of Latin America continued producing and exporting certain raw materials, e.g.: oil and bananas in Ecuador; coffee from Honduras, etc.

However, the larger countries of Latin America already displayed more complex trade and investment relations. For example, Argentina, Brazil and Mexico produced manufactures, such as: automobiles. Peter Evans labels such changes as “dependence development”, since the asymmetries in foreign relations, mainly with the U.S., have continued.



CONTEMPORARY EXTERNAL LINKS in Latin America



The Complex Current Agenda with the U.S.

The U.S. has nowadays three key issues in its agenda with Mexico and Central America:

(i) trade,

(ii) immigration, and

(iii) drug trafficking.

The Complex Agenda with the U.S.

All of them are considered “transboundary “ topics, because of the fact that they have consequences within the U.S. In other words, they are not only “foreign policy issues”.

The Complex Agenda with the U.S.

(i) Trade. In 2018, the U.S., Mexico and Canada agreed to replace NAFTA for a new agreement: The United States-Mexico-Canada Agreement (USMCA), whose main innovations are: (1) an initial duration of 16 years, with a first review after 6 years; then, the duration shall be extended for successive periods of 16 years; (2) the increased regional content required for traded vehicles (raised from 62.5% to 75%); and (3) the stipulation that the auto industry had to pay wages above 16 dollars per hour. (Source: United Nations Commission for Latin America and the Caribbean, ECLAC).

The Complex Current Agenda with the U.S.

(ii) Immigration. President Trump has demanded from Mexico and the three countries of the Northern Triangle of Central America (Guatemala, El Salvador and Honduras): “to do more to stop the flow of illegal immigration” or otherwise (the U.S. would cut off foreign assistance and/or impose tariffs).

The Complex Current Agenda with the U.S.

So far, the number of immigrants from the three Northern Central American countries that intend to cross the border in search of asylum has been diminishing according to the Border Patrol (the Covid-19 may reinforce this trend, plus the fact that the U.S. has streamlined the process of deportation of the “illegals” apprehended close to the border).

The Complex Current Agenda with the U.S.

In the case of Mexico, experts point out that the current net migration from Mexico to the U.S. is zero since more undocumented* immigrants are deported or return “voluntarily” in comparison with the number of those who crossed the border. This is certainly a unique scenario.

* <https://cnsmaryland.org/2019/10/22/congress-looks-to-remove-illegal-alien-from-federal-use/>

The Complex Current Agenda with the U.S.

(iii) Drug trafficking. Given the flow of illicit drugs from Latin America to the U.S. market, since 2000, Colombia has received U.S. support through Plan Colombia and its successor programs to deter the trafficking of such drugs.

Check: <https://vimeo.com/286594781>

The Complex Current Agenda with the U.S.

In the case of Mexico (and countries of Central America), in 2008, the U.S. was co-signer of the Mérida Initiative whose purpose was to better tackle the drug trafficking issue in the region. For the fiscal year 2020, Congress allocated \$150 million for the Mérida Initiative (some \$73 million above the budget request). The increased resources were aimed to address the flow of U.S.- bound opioids. (Source: U.S. Congressional Research Service)

Other Links of the Contemporary Era

Currently, Latin America has ties with numerous countries of the world and with a variety of governmental and non-governmental international organizations.

Here, it is important to highlight its profound links with Europe and China.

LINKS WITH EUROPE

The influence of Europe upon Latin America was critical in the post-independence period (20th century), in economic, political and terms.

In the 20th century, the countries located in South America and the Caribbean maintained more profound ties with Europe, and later on the European Community.

During the first decade of the 21th century, Argentina, Brazil, Colombia, Paraguay and Uruguay had European nations as critical trading partners.

LINKS WITH EUROPE

If the European Union were just one country it would be Latin America's second commercial partner. However, its total trade barely reaches one third of the amount of trade flows between Latin America and the United States.

By contrast, Europe is Latin America's second most important source of direct foreign investment. European direct investments in Latin America have exceeded U.S. investments in recent years.

Meanwhile, European cooperation is almost twice as much as that of the U.S., and has become its main aid donor

Furthermore, because of the the number of persons emigrating from Latin America to the European Union (mainly from South America), the remittances that these immigrants send back to their countries of origin exceed 1,794,000.00 dollars per year.

China : the emerging regional power

China has become a key player in the development of Latin American countries in the 21st century. Some analysts consider that China has a strategy, particularly in South America, directly oriented to diminish its economic ties with the U.S.

China-Latin America trade has multiplied 18 times since 2000. China has displaced Europe as the second-most important trade partner of Latin America behind the United States. But, in some of the region's countries (Brazil, Chile, and Peru), China is their most important trade partner .

China has also become an important lender in the Latin American region.

China : the emerging regional power

Although European foreign direct investment (FDI) is still much more important in Latin America than Chinese FDI, China is expanding and diversifying its investments in the region. Latin America is already China's second-largest destination for foreign direct investment, with \$25 billion in 2017, (up from just \$2 billion in 2004).

China : the emerging regional power

Chinese state-owned as well as private companies are the sole investors or are part of ambitious ventures in Latin America, especially in oil and other extractive industries, agriculture, infrastructure, manufacturing and tourism, particularly in Argentina, Brazil, Cuba, Ecuador, Peru, and Venezuela. For example: Ecuador is committed to shipping 90% of its exportable crude to China through 2024, as part of a deal to secure Chinese investment. Whereas Venezuela has been paying back most of its substantial Chinese debt through oil shipments (about 330,000 barrels per day were to China in 2017). Also, 65.4% of products exported from Brazil were bought by China (whereas only the 28.1% are U.S.-bound).

Exercise 1

Imagine that you are preparing a presentation on the links between the U.S. and Latin America. You need to select 1-2 topics (justify your selection). Keep in mind that your sources of information are: the slides (including the video clips if pertinent) and the textbook.

Length = 1 page.

Exercise 2

Latin American governments – being more pragmatic than ideological – have opted to expand their ties with China nowadays. Yet, there exist a debate on whether China is an economic saviour or just neo-colonial predator in Latin America. Provide a 1-page assessment on the subject matter. Your sources are: the textbook, class slides, and at least two of these websites:

<https://latinamericareports.com/where-china-invest-latin-america/2064/>

<https://www.americasquarterly.org/content/how-chinese-investment-latin-america-changing>

https://www.thedialogue.org/map_list/