

Latin America's Political Pendulum – Great Decisions – Week 6

CHAPTER HIGHLIGHTS

- Leaders come and leaders go in Latin America. Contrasts are about the so-called “Pink Tide,” with Lula de Silva in Brazil who was a union leader, and Hugo Chavez in Venezuela who was an Army officer. Mexico and Central America did not perform as well, economically, as South America.
- Now that the economic boom of high oil prices has waned, and their standard of living with it, Latin America's citizens have increased demands and expectations and are protesting against corruption and mismanagement.
- The “political pendulum” refers to the switching from left-leaning toward social reforms and addressing poverty and inequality, versus right-leaning regimes who favor alignment with the Western world and more market-friendly, known as the “Washington Consensus.” This ebb and flow is more peaceful than it was in the Cold War era between the 30s and 80s with all their coups and civil wars.
- Some key leaders mentioned and their dates: **Carlos Menem in Argentina (1989)**; **Alberto Fujimori in Peru (1990)**, currently serving a 25 year sentence in Peru for corruption and electoral fraud; **Fernando Cardoso in Brazil (1995)**; **Hugo Chavez in Venezuela (1999)** saw oil prices go from under \$10 a barrel to over \$100 a barrel during his tenure; **Vicente Fox in Mexico (2000)**; **Alvaro Uribe in Colombia (2002)**; **Luis Lula de Silva in Brazil (2003)**; **Nestor Kirchner in Argentina (2003)**; **Evo Morales in Bolivia (2005)** drafted a new constitution; **Daniel Ortega back in power in Nicaragua (2005)**; **Rafael Correa in Ecuador (2006)**.
- **Commodity boom & bust:** Trade between Latin America and China went from \$2 billion in 2003 to almost \$290 billion in 2013. Rather than take advantage of the commodity boom, Latin America failed to invest in long-term economic development and innovation, as well as letting infrastructure languish.

The Recession in the U.S. didn't help either and it took longer to recover any foreign investment. When China's economy slowed in 2014, Latin America paid the price. With economic problems comes political tension and instability. New leaders are emerging. This is due more to economic conditions are the public growing tired of the incumbents than any ideology. Election results are shown in the handout.

- **Policy options for the U.S.:** During the Pink Tide and economic boom, there was a reduction in dependency on the U.S. but also a reaction against the Bush administration which was perceived as unilateral and aggressive. The U.S. invasion of Iraq in 2003 didn't set well with Latin America who has had its share of interventions by the U.S., more than 50 of them.
- **The election of President Trump has created major uncertainty in Latin America,** particularly the stance on immigration, the Wall, etc., “America First” and renegotiating NAFTA. It's unclear if the new administration will continue anti-drug policies which focus mainly on enforcement and not social development in Central America.
- **Other unknowns for the Trump administration:** relationship with Cuba, helping Colombia with peace plans to stop the guerilla drug wars, and what to do with Venezuela with the largest oil reserves in the world.