

Latin America's Changing Geopolitical Landscape

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Over the past several years, Latin America's geopolitical outlook has changed in a dramatic fashion.

The region's two largest countries are now governed by populists, albeit with very different ideological tendencies. Both Andrés Manuel Lopez Obrador in Mexico and Jair Bolsonaro of Brazil were elected to office for similar reasons: citizens became frustrated

with the country's political classes and their repeated failure to deliver on promises to reduce corruption, crime and poverty. Whether Lopez Obrador or Bolsonaro fares better than their predecessors remains to be seen.

The region's geopolitical outlook is also significantly shaped by the hemisphere's largest power, the United States. Since 2017, for the first time in its history, the country is led by a populist, Donald Trump, who has challenged the status quo and has repeatedly railed against the economic and political elites, including the press. Trump has employed insults and aggressive rhetoric to advance his "America First" agenda. Like Lopez Obrador and Bolsonaro, Trump appeals to nationalism to energize his political base. Unlike their predecessors, they are opposed to the liberal international order based on cooperation and shared, democratic values and norms of behavior. That architecture of multilateral institutions was constructed under US leadership, but that leadership has weakened considerably and the institutions that were built are fraying and losing relevance. Whether the US will be able to reverse this tendency and regain its leadership is not entirely clear.

In the past several years, China has emerged as a key player, rivaling the United States, and not only globally but also in Latin America. China's presence and engagement is today a permanent feature of the region's economic landscape, with major geopolitical implications. In some respects, the nationalist approach in the United States and its withdrawal from Latin America and other parts of the world has only opened the way for China to accelerate its activities in the region. To be sure, most of such activities have focused on trade, finance and, most recently, investment, especially in energy, infrastructure, and, increasingly, telecommunications and technology.

Today China is the main trading partner for Brazil, Chile and Peru, and the second largest trading partner for Colombia and Argentina. China is interested in South America's wealth in commodities such as copper, iron, ore, oil and natural gas, and soybeans. According to the Chinese finance database of the Inter-American Dialogue, in partnership with Boston University, China has lent over \$120 billion to Latin America since 2005 (more than half of that to Venezuela), though levels have declined since. Increasingly, China is investing in



major infrastructure projects throughout region, several part of its Belt and Road global initiative. According to research, some of those projects have materialized while others have not, but there is little doubt that the Chinese have become very assertive in the region.

Until recently, while there was much discussion about the benefits and shortcomings of China's economic role in the region, there was relatively little attention to its geopolitical or security agenda. That has changed, especially given the staggering deterioration in Venezuela, where China is helping sustain the dictatorship of Nicolas Maduro (Venezuela now owes China some \$20 billion.) In addition, China has increasingly engaged more extensively in Central America and the Caribbean areas, closer and more sensitive to the United States. Recently such countries as El Salvador, Honduras, Panama and the Dominican Republic have recognized China, which has greatly upset Washington.

The Trump administration is putting considerable pressure on these and other governments to move away from China and instead work with the United States. While most Latin American governments would prefer to deal with the United States over China, they are pragmatic and understand that now Beijing has more to offer than Washington.

In one of the worst strategic blunders in recent times, in 2017 the Trump administration withdrew from the 12-country Trans-Pacific Partnership, which would have been the smartest way to counter deepening Chinese engagement in Latin America. Arrangements such as the Pacific Alliance, made up of Colombia, Peru, Chile and Mexico, are crucial to enhance regional integration. A pact with the Mercosur countries would be a key step forward.

Russia, too, is a critical, increasingly active, non-hemispheric actor with interests in the region. Lacking in China's economic prowess and capacity, Russia's agenda appears to be chiefly geopolitical, with the aim of sending a message that it can also project power close to the United States, much as the United States regu-

larly does in areas close to Russia's borders. Although Russia has some economic interests in the petroleum sector in Venezuela, its role has been mainly to sell sophisticated weapons systems to the Maduro regime. Russia is also involved in other countries such as Nicaragua, and it continues to explore new opportunities in this era of nationalism.

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Venezuela, the region's worst crisis and most catastrophic situation in recent memory, has over the years been thrust on the global geopolitical chessboard. Not only are China and Russia supporting the Maduro dictatorship, but so, in a variety of important ways, are Cuba, and also Iran and Turkey, the latter heavily involved in the gold trade. The United States stands with most Latin American and European countries in backing the opposition and its leader Juan Guaidó. No one knows with any certainty how and when the Venezuela crisis will be resolved, but even under the most optimistic scenario it will take decades to reconstruct the country with the largest proven oil reserves in the world.

The situation within Venezuela is particularly combustible. So far, most of the top brass of the military has remained loyal to Maduro and will need to play a fundamental role in the resolution of this crisis. There



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is also the national guard, police, and the colectivos, armed thugs who are subservient to government control. Perhaps most worryingly, there is the presence of Colombia's two main insurgencies, especially the ELN (National Liberation Army) which carries out many of its operations in Colombia from Venezuelan territory with the backing of Maduro, and also dissident faction of the FARC (Revolutionary Armed Forces of Colombia) that recently declared its decision to break with the 2016 peace accord and resume fighting. In addition, Maduro has mobilized Venezuelan troops on the Colombian border and has used bellicose, threatening rhetoric directed at the government of Ivan Duque. Though it remains improbable that there will be confrontation between Colombia and Venezuela, the increasing tensions and very strong language is reason for concern. A minor incident could easily escalate.

Apart from Venezuela itself, which, tragically is in ruins, Colombia has borne the brunt of its neighbor's deteriorating situation. Already about 1.4 million migrants and refugees from Venezuela are in Colombia, and that number is likely to rise, no matter what happens politically in the near term. Colombia's generous treatment of the refugees has been laudable, a model for the region, though the strain on resources and services has been significant.

The deepening humanitarian crisis, both within Venezuela and also in neighboring countries, only aggravates the already very difficult and complex geopolitical landscape in Latin America today. Although this is a time of nationalism and many countries are looking inward and pursuing their own direction, Venezuela poses a real test whether serious regional cooperation and sophisticated diplomacy can help bring this nightmare, finally, to an end. 