



Conference Brief

Strategic Studies Institute

U.S. Army War College, and the
 **LACC** Latin American and Caribbean Center,
Florida International University

U.S. Security Strategies: Trade Policy Implications for Latin America

Compiled by
Dr. Max G. Manwaring

Key Points:

- Security was defined as “freedom from avoidable internal or external threats to a country’s territory, citizens, institutions, and interests.”
- Regional security, free trade, economic performance, and effective sovereignty are closely related.
- Instability, social violence, crime and criminal anarchy, and terrorism thrive as a result of poor economic performance.
- Not understanding and dealing with the linkages among these elements can endanger effective sovereignty, and lead a country into failing and failed state status.
- The cumulative negative effects of the current U.S. security and trade policy in the hemisphere come at a time when regional economies are in decline, and emphasize four highly related recommendations:
 - Advance hemispheric understanding of the nontraditional internal security concerns of each country, and those that the region as a whole faces.
 - Develop multilateral or bilateral civil-military structures and processes to identify and address threats, and find mutually acceptable solutions in the contemporary security environment.
 - Foster expanded dialogue, consultations, and cooperation for building consensus principles and concepts for regional security and economic cooperation--and enhanced trade.
 - Go beyond training and equipping small units to fight narco-terrorists, and adapt U.S. military efficacy to the contemporary threat environment at the strategic level.
- The United States shares with its Latin American neighbors an increasingly and vitally important financial, commercial, and security/stability stake in the political and economic growth of the hemisphere. Any kind of political-economic-security deterioration in the region will profoundly affect the health of the regional economies, the U.S. economy – and the concomitant power to act in regional and global security arenas.

Report Documentation Page

Form Approved
OMB No. 0704-0188

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

| | | | | | |
|--|------------------------------------|--|----------------------------|---------------------|---------------------------------|
| 1. REPORT DATE 26 FEB 2004 | 2. REPORT TYPE | 3. DATES COVERED - | | | |
| 4. TITLE AND SUBTITLE U.S. Security Strategies: Trade Policy Implications for Latin 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) Army War College, Strategic Studies Institute, 122 Forbes Ave, Carlisle, PA, 17013-5244 | | 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 The original document contains color images. | | | | | |
| 14. ABSTRACT see report | | | | | |
| 15. SUBJECT TERMS | | | | | |
| 16. SECURITY CLASSIFICATION OF: | | | 17. LIMITATION OF ABSTRACT | 18. NUMBER OF PAGES | 19a. NAME OF RESPONSIBLE PERSON |
| a. REPORT unclassified | b. ABSTRACT unclassified | c. THIS PAGE unclassified | | 4 | |

The Summit of the Americas Center and Latin American and Caribbean Center of Florida International University, and the Strategic Studies Institute of the U.S. Army War College held the first of a series of mini-conferences dealing with security issues in the Western Hemisphere in Miami, Florida, on February 26, 2004. The theme focused on "Security Implications of Poor Economic Performance in Latin America." About 40 business people, university faculty members, and military and diplomatic officers from the United States and Latin America attended. In the recent past, the security focus as it pertained to Latin America centered primarily on the Drug War, Colombia, and Plan Colombia. But, because of the hemispheric "spill-over" issues stemming from the Colombian crisis and the horrific events of 9/11, that set of concerns has broadened. The keynote presentation by Ambassador Paul D. Taylor, now at the U.S. Naval War College, and the dialogue of the panelists* and attendees revolved around two key issues: the linkages among security, the economy and trade, and effective sovereignty; and, the operational roadblocks to productive post-9/11 engagement in the Americas.

Linkages.

The keynote presentation, as noted above, defined security as "reasonable freedom from avoidable internal or external threats to a country's territory, citizens, institutions, and interests." The word "avoidable" was intended here to "exclude natural disasters (from man-made disasters)." In cause and effect terms, participants argued that poor economic performance might impact several factors of national and regional security interest. They are:

- Support for democracy could weaken.
- The economic suasions available to criminals and terrorists to undermine security operations could become more potent as the number of people who may be lured by drug trafficking and other criminal organizations and guerrilla groups increase in proportion to economic insecurity.

- Militaries and internal security forces could become less capable to address threats and more susceptible to corruption as their resources become more constrained.
- Migration from poorly performing economies could be stimulated (and create serious burdens on host countries).
- Conversely, the war against terrorism could make it more difficult for migrants to remit portions of their earnings back to their countries of origin.
- Governments with sick economies could shift away from policies that encourage growth in trade and investment and thereby reverse the trend toward hemispheric integration.
- At the same time, the abandonment of economic integration could give rise to renewed tensions among countries of the region.
- To the extent that disappointing economic results in Latin America were perceived as the consequence of indifferent support by the U.S. Government or by international financial institutions, cooperation with the U.S. Government on issues across the board, including security, could become more difficult.

In these terms, it is useful to outline the circular linkage among security, stability, development, democracy, and sovereignty. Security begins providing personal security to individual citizens. It then extends to protection of the collectivity from violent internal nonstate actors (e.g., criminals and self-appointed vigilante

*The panelists included: Fernando Albareda, Commercial Attache, Consulate General of Peru in Miami; Edward Glab, Acting Director, Knight-Ridder Center for Excellence in Management, College of Business Administration, Florida International University; Francis X. "Pancho" Kinney, Deputy Director, Office of International Affairs, U.S. Department of Homeland Security, Washington, DC; and David Wernick, Research Director, Knight-Ridder Center for Excellence in Management, Florida International University. The Moderator was Carl A. Cira, Director, Summit of the Americas Center, Florida International University.

groups) and external enemies. The strategic security problem ends with establishing firm but fair control of the entire national territory and the people in it. That is, without complete control of the national territory, a government cannot provide the elements that define the concept of “effective sovereignty” – an effective judicial system, rule of law, stability, long-term socioeconomic development, responsible democratic processes, and sustainable peace. The primary implication is straightforward. The negative results of NOT understanding and dealing with these linkages can lead countries into a downward spiral to failing and failed state status.

Means to escape this box would include:

- Increased U.S. and Latin American recognition that hemispheric security can be threatened by unsatisfactory economic performance;
- Hemispheric leaders emphasizing the interconnectedness among political, economic, and security challenges--and the need for greater multilateral cooperation; and,
- Promulgating strategic/macro-level political, economic, and security measures that strengthen economic performance and free trade.

Operational Roadblocks to Productive Engagement in the Americas.

Conference panelists also observed that, in the 2-plus years since September 11, 2001, Congress has passed a series of sweeping new laws aimed at protecting the nation from another terrorist attack. In this connection,

- the U.S. Department of State has instituted stringent new procedures for international travelers seeking to visit the country;
- the Department of Homeland Security (DHS) has stepped up inspections of passengers and their belongings at U.S. ports of entry;
- the DHS has instituted new advance-notification rules for importers and exporters;
- the DHS has subjected incoming cargo to

more frequent and rigorous screenings; and,

- the Food and Drug Administration has issued new registration and reporting requirements for food manufacturers and importers.

The cumulative effect of these measures has been a significant decrease in the speed and ease with which people and goods enter the United States from Latin America. At the same time, there has been a significant increase in the operating costs, transit times, and spoilage associated with these new measures. All this comes at a time when key economies in Latin America and the Caribbean are in decline, and nothing is being done to improve strategic security.

There was also a general feeling in the conference that--although a clear need exists for regulations aimed at protecting the United States from terrorist activities--

- It is imperative that government officials work closely with the private sector in the United States to craft homeland security policies that are economically feasible and, to the extent possible, business friendly. That is, federal authorities need to ensure that “checkpoints do not become choke points.”
- At the same time, it is also imperative that federal authorities consult closely with Latin American and Caribbean trading partners for the same purposes. Specifically, Latin American governments should be invited to comment on proposed security measures that will affect them. Authorities need to stress that the objectives are not negotiable, but procedures might be.
- Likewise, it would be most helpful for the various federal agencies involved to unify and integrate their activities to help expedite the screening of people and goods coming into the United States, and to reduce duplication of effort.
- Overall, these measures would also help in reducing the increasing advantages at non-U.S. ports of entry that compete for access to the Latin American and Caribbean markets.

Conclusion.

The expectations and frustrations reflected in the conference dialogue stem from the general feeling that many of the anti-terrorism mandates that have been promulgated since 9/11 are more cosmetic than real. Essentially, the argument was that much remains to be done. The United States needs a new policy and strategy that meets the new threats from within the region, and moves from the debilitating operational procedures that now govern U.S.-Latin American trade relations to more collaborative and coherent strategic macro-level measures. If the United States continues to ignore what is happening with regard to its Latin American trade, the expansion of terrorism, the expansion of "lawless areas," and the expansion of general instability could easily destroy the democracy, free market economies, and the limited prosperity that have been achieved in recent years. In turn, that would constitute a direct threat to U.S. national security and an indirect threat to the U.S. position in the world.

The views expressed in this brief are those of the author and do not necessarily reflect the official policy or position of the Department of the Army, the Department of Defense, or the U.S. Government. This conference brief is cleared for public release; distribution is unlimited.

More information on the Strategic Studies Institute's programs may be found on the Institute's Homepage at <http://www.carlisle.army.mil/ssi/> or by calling (717) 245-4212.