

**JOACHIM KNOOP:****Will the Momentum of Progress Be Sustained?  
Latin America after Two Lost Decades**

After two »lost decades«, most Latin American economies have enjoyed a long period of high growth, the primary cause of which has been rising world demand for the region's mineral and agricultural exports. China has become the most important market for many Latin American countries. Economic growth has been accompanied by a significant decline in poverty, although social inequalities are still among the highest in the world. Furthermore, most of the subcontinent has emerged relatively unscathed from the global crisis, thanks again to sustained Chinese demand for Latin American exports, but also to dynamic domestic markets, strengthened by redistribution policies. Although competitiveness has increased significantly, dependence on primary exports – or, in the case of Mexico, on low-wage manufacturing – is as high as ever, with the notable exception of Brazil. Thus, Latin America remains vulnerable to the fluctuations of the commodity markets. Formerly buoyant Venezuela is suffering, at present, from a decline in its oil revenues, which are no longer sufficient to mask the economy's inefficiencies. Politically, the subcontinent has emancipated itself from the neoliberal hegemony of the Washington Consensus and has moved to the left, driven, in part, by a new self-assertiveness on the part of the lower classes and the indigenous population. In Venezuela, Bolivia, and Ecuador, this has ushered in major projects of constitutional renewal. At regional level, new structures of cooperation have emerged that leave out the USA and Canada. One is the Venezuela-promoted, explicitly »anti-imperialist« Bolivarian Alliance for the Americas (ALBA), another the Brazil-promoted Union of South American Nations (UNASUR). Brazil's rise to become the undisputed – although not universally welcomed – leading regional power with a high global-governance profile is one of the key factors shaping the future of Latin America. While this can be seen as a stabilizing force, increasing drug-related criminality threatens to undermine the nation-state in several Central American and Caribbean countries.

**BRITTA JOERISSEN / JOCHEN STEINHILBER:**  
**Between National Development, Regional Hegemony,  
and Global Reorganization: Brazil's Ambitious Foreign Policy**

Brazil has emerged as a fully-fledged global power with a high global-governance profile and increasingly hegemonic functions within the Latin American region. The basis for this rise is a flourishing and resilient economy, itself the result of sound macroeconomic policy, which emphasizes not only competitiveness but also internal demand, of prudent financial regulation and of dynamic entrepreneurship with increasingly global reach. The driving force of Brazil's rise was an assertive and outreaching foreign policy that emancipated the country from »Western« tutelage, engaged in new alliances with other emerging powers around the world (BRIC, IBSA) and helped develop new structures of international co-operation conducive to the pursuit of Brazil's economic and political interests (G20). In the Latin American region, Brazil pursued a stability oriented policy that aimed to engage all countries in consultation and cooperation procedures, to defuse conflicts, to scale down US influence and to consolidate at the same time its own hegemonic position. Brazil's South American policy got a strong security accent, which has to do with the country's heightened perception of security threats, not least with regard to the consolidation of national sovereignty in the Amazon region. Vis-a-vis the United States Brazil adopted a distinctively self-assertive policy, especially as trade policy is concerned, but carefully avoided direct confrontation Venezuelan style. It needs the USA as an ally in its quest for more global influence while the US has an interest in Brazil's stabilizing influence in Latin America and in Brazil's energy partnership. While the foreign policy of President Lula showed his and his party's leftist preferences it never lost sight of the country's interests as an emerging power and global player. If needed it tended to subordinate ideology to Realpolitik.

**HANS-JÜRGEN BURCHARDT:**  
**The Latin American Paradox:  
Convergence of Political Participation and Social Exclusion**

Theory has it that democratic participation rights make social inclusion a salient political issue and lead to majority-supported policies designed to foster inclusion. In Latin America, however, democracy and large-scale social exclusion have co-existed for decades. Attempts to explain this »paradox« in terms of democratic deficits remain unconvincing. A closer look shows that redistributive welfare-state policies have focused on formally employed labor, leaving out those employed informally, including the rural poor. Theories – of liberal as well as social democratic provenance – that stress the social rights of individuals and postulate

entitlements, in addition to political participation rights, neglect the crucial importance of endowments. Lack of adequate material and intellectual endowments restricts people's ability to take advantage of their entitlements. In the political arena, under-endowed individuals from grossly disadvantaged social milieus are significantly less capable than others of effectively pursuing their interests through democratic procedures. It is »privileged« minorities, including urban labor, that have largely shaped public policies to their advantage in the Latin American democracies. They have effectively vetoed policies that might have redistributed endowments, such as land reform, fully-fledged health care for the rural poor and informal workers, and higher taxation of the wealthy. Social democracy »turned back the right way up« should focus on the endowments needed to underpin entitlements. Continued neglect of this fundamental source of persistent exclusion will continue to foster clientelistic politics that ultimately undermine democracy.

**CRISTÓBAL ROVIRA KALTWASSER:**  
**Moving beyond the Washington Consensus:**  
**The Resurgence of the Left in Latin America**

Neoliberal policies in line with the Washington Consensus have proved to be economically and socially devastating in Latin America. Eventually, they were rejected at the polls throughout the region. In fact, most Latin American countries by now have left-leaning governments of various kinds. Before this could happen, however, leftist alternatives had to be developed. A discourse was required that could challenge the hegemonic neoliberal discourse, as well as mobilization around new policy programs. Meeting the first requirement was helped by the global changing of the ideological tide and the decline of US hegemony, while the second benefitted from neolibetral inspired decentralization, which provided initial opportunities for a new left at local level. The decisive factor, however, was the leftward turn of the impoverished middle classes who were able to articulate their interests in the political arena and formed alliances with socially excluded groups. But these alliances are anything but stable. The diversity of interests within them makes it difficult for them to move beyond mere rejection of neoliberalism towards a sustainable post-neoliberal development agenda. No such coherent agenda can yet be discerned. Ideal-typically, we can distinguish between a moderate left that adheres to the procedures of liberal democracy and a more radical left with a populist notion of democratic representation. Behind the issue of democratic procedures lies the unresolved issue of social exclusion. The recent reemergence of the left in Latin America marks another stage in the long search for a workable agenda of socioeconomic integration.

**PABLO STEFANONI:**  
**Bolivia under Evo Morales:**  
**From the Logic of Mobilization to Development Discipline?**

In December 2009, Evo Morales was reelected President of Bolivia, with 64 percent of the votes. Behind this unusually strong majority is an alliance of lower and middle-class groups, whose common denominator is the nationalist rejection of neoliberal policies, which are perceived as US-imposed. The formation of the alliance was a political mobilization project arising from a group representing the interests of the coca-growing indigenous small farmers of the Andean Chapare region, which was successively extended to other rural groups in the Andean highlands and the recently colonized east, as well as to urban lower classes and segments of the petty bourgeoisie. However, the movement has maintained a rural bias. Extension required a broadening of the movement's doctrine, which eventually evolved into a hybrid creed, with indigenous, nationalistic, populist, and vaguely socialist elements. The decisive policy-informing component might be dubbed »populist« or »plebeian« nationalism, however. It is linked to the developmentalist tenets of Bolivia's 1952 revolution and stylizes an antagonism between »the people« and »the nation«, on the one hand, and the oligarchic »anti-nation«, on the other. The main problem facing the politically highly successful movement around the charismatic Evo Morales is the transition from the rhetoric of national development to a sustained development effort with a solid structural underpinning. This would entail a departure from entrenched rent-seeking and clientelism, not to mention from the popular raw-materials centered approach to development. The logic of permanent political mobilization is not directly conducive to this task, however, which requires a shift of focus to efficiency and the toning down of emancipatory exuberance.

**UWE OPTENHÖGEL:**  
**Cuba: How Tropical Socialism Risks the Destruction of Its Heritage**

Against all expectations, Fidel Castro's retreat from his political offices did not usher in major changes in Cuba. The reforms – whether political or economic – which were hoped for by many did not materialize. The Cuban economy is as inefficient as ever and its survival now depends on the supply of cheap oil from Venezuela, as it once did on Soviet subsidies. But while Cuban politics after Fidel is characterized by continuity significant changes have been taking place for some time at the societal level. Their principal tendency is to erode the implicit pact between the revolutionary elite and the people, which involved the provision of political support in return for national independence and social inclusion. The generation which experienced the achievements of the revolution is dying out

and the younger generation sees no prospect of either work or consumption. Beneath the surface of political stability, the regime's legitimacy is dwindling. Moreover, the very basis of the regime's support – the high degree of social inclusion – has become thoroughly eroded. Social inequality has been increasing dramatically as a consequence of unequal access to foreign currency, on which professional skills or other merits have no bearing. Demands for reform, coming from critical supporters of the socialist system within Cuba, are being articulated ever more forcefully. How the regime deals with them will probably determine what course the changes that have already begun will take. At issue are not only the poor performance of the economy and the inefficiencies of the state apparatus, but also the people's participation in the shaping of their country's future. So far, the government of Raúl Castro has not had the courage to enter into an authentic dialogue with civil society.

### **RIORDAN ROETT:**

### **US–Latin American Relations: A Tour d'Horizon, Mid-2010**

Since the Obama administration took office relations between the US and Latin America have improved. But there have also been a number of disturbing developments. On the positive side, there have been the rapid response of the US to the humanitarian crisis in Haiti, President Obama's symbolically important participation in the 2009 summit of the Americas, the decision to close the Guantanamo Bay detention facility, the lifting of restrictions on remittances from Cubans in the US to their families in Cuba, and the signing of a military agreement with Brazil. On the other hand, tensions have increased around US policy concerning the change of government in Honduras, the decision to station US troops in Colombia, the issue of sanctions on Iran (an important trading partner of Brazil), the WTO Doha negotiations, the US and EU stance on financial-market regulation, and the one-sided US approach to the drugs issue. The failure of the WTO Doha Round reflects the emerging countries' – prominent among them, Brazil – growing unwillingness to tolerate US restrictions on agricultural imports and threatens to give rise to further problems. On the drugs issue, the US focus on repressing production and trafficking, without paying attention to American and European demand and to the socio-economic conditions in the producer countries, is encountering increasing criticism in the hemisphere. Altogether, the US must come to terms with the increasing – Brazil-led – self-assertiveness of Latin American countries vis-à-vis their former »godfather.« In this respect, the »old« Latin America is no more. The Obama administration should adopt a broadly cooperative attitude towards the »new« one and its organizations. It should focus relations on like-minded democratic states such as Brazil, Chile, and Colombia. Among other things, it should also reconsider the embargo on Cuba.

**JUAN GABRIEL TOKATLIAN / IVAN BRISCOE:  
Drugs: Towards a Post-Prohibitionist Paradigm**

The international drugs regime, led by the USA and adopted by Latin America, is centered on suppressing the supply and trafficking of narcotics. It is increasingly coming under question, however, as largely ineffective – even counterproductive – and harmful. But the dynamics of the »war on drugs« make it difficult for single countries to opt out. The »war on drugs« has not diminished the availability of drugs to consumers, but it has pushed up the price, making the drugs business ever more lucrative and increasing the readiness – as well as the financial capacity – of those involved to resort to violence, openly challenging the law. The power of armed drug gangs now exceeds that of weak Central American and Caribbean states, where gangs are imposing their own law and undermining the nation-state. The drugs business has, thus, become a serious security threat and the fight against it has become militarized. As a further step, this fight is being contracted out to private providers of military services. The attempt to destroy coca cultures has given rise to local protest movements that, in Bolivia, have fostered the rise to power of a left-wing national movement. Because the prohibitionist drugs regime is so grossly ineffective and harmful, frustration and fatigue have come to characterize its public perception. The voices calling for an alternative are becoming more diverse and non-repressive approaches are increasingly being tried around the world. To overcome the complete disregard which characterizes the prevailing regime the following principles must be established: the fight against drugs must not conflict with human rights and other public concerns; anti-drugs strategies must be linked to remedying the socio-economic root causes of drug consumption and production; and the overriding goal must be the reduction of harm, which requires a differentiated approach.

**TORSTEN MÜLLER / HANS-WOLFGANG PLATZER / STEFAN RÜB:  
Global Trade Union Federations Facing the Challenges of Globalization**

International federations of trade unions are increasingly developing into global organizations as far as their membership base is concerned. They have extended their coverage to the former communist countries (with the notable exception of China) and to large parts of the non-industrialized world. They have also overcome earlier divisions along ideological lines and, in some cases, have merged across sectoral border lines. At present, there are 11 global federations. However, their increased representativeness – and thus legitimacy – is not matched by a stronger ability to pursue labor interests in the global arena. Their financial resources have not grown in line with their membership base and are largely absorbed by the extension of routine services to their member organizations. For

the pursuit of labor interests vis-à-vis employers as well as (via lobbying) vis-à-vis governments and intergovernmental organizations, they depend largely on donor contributions. Another difficulty consists in the diverging interests of member organizations, for instance, in low-wage and high-wage countries. The global federations, therefore, tend to concentrate on »low-profile« issues such as technical standards, as well as on consensual solutions and minimum social standards. In these fields they function as a forum for member organizations to exchange information and viewpoints. Occasionally, they function as a coordination platform to work out common positions. Social dialogue with the employers at global level is an exception. Only in the sea transport sector has collective bargaining arrived at a globally binding agreement with the employers on wage floors and working conditions. Global trade union federations have been most successful in dealing with transnational corporations. Even though they seldom act as parties to agreements they have been instrumental in setting up corporation-wide union networks which have signed a significant number of International Framework Agreements on social standards. Monitoring them is often inadequate, however, due to a lack of resources and power.

**WOLFGANG KOWALSKY:**  
**Trade Unions and European Integration:**  
**Between Naïve Endorsement and Undifferentiated Rejection**

From the very beginning, the project of European integration has met with basic approval from most European trade unions, but with fundamental opposition from part of the political left. But the unions have also had a constant struggle to prevent the project from taking a labor-unfriendly course. In recent years, however, labor's disenchantment with the EU has grown to such an extent that it now verges on rejection of the European project. The reason is the EU's persistent pursuit of market liberalization without the concomitant establishment of Union-wide rules to regulate the Single Market and without taking steps to ensure social justice. Moreover, the liberalization policy, which has become enshrined in European law, has made it ever more difficult for member states to protect their workforces against adverse market developments. Altogether, the EU's emphasis on market – that is, »negative« – integration has progressively weakened labor's position vis-à-vis business. On the macroeconomic front, the EU has persistently neglected the demand side, one-sidedly emphasizing competitiveness in global markets, but without pursuing a policy that would really enhance competitiveness. The neoliberal course of European integration has given rise to increasing Euro-fatigue among the general public. The widespread »permissive consensus« which the European project formerly enjoyed is being eroded. Trade unions risk becoming out of touch with their members if they do not voice their criticism of

what is going on in the EU clearly and aggressively. Nonetheless, they should not adopt an undifferentiated »anti-European« stance. Experience shows that the institutional framework of the European Union does not prevent social progress. But the time has come to fight for it with more determination in the political arena provided by the EU.

### **IAN ANTHONY:**

### **NATO's Nuclear Future:**

### **New Security Challenges and the Role of Deterrence**

NATO is about to revise its strategies for the next ten years or so. It has to come to terms with the, by now, evident fact that its nuclear strategy was designed for a set of threats that no longer exist. NATO no longer has enemies whom it can name and focus its deterrence strategy on. But it does face threats from potential enemies with unknown intentions and contingencies. According to the dominant view within the Alliance, prudence demands the maintenance of a nuclear deterrence capacity. The situation is different with regard to short-range nuclear weapons. Support for their deployment has decreased significantly among the Allies and several countries have withdrawn from the corresponding nuclear mission. The maintenance and upgrading of delivery systems has ceased to be a priority, as has planning for a nuclear response in a crisis. The opinion is gaining ground among the Allies that the security of their exposed parts is better served by upgraded non-nuclear fire power. The issue of short-range nuclear weapons must also be seen in the broader context of the Allies' policy vis-à-vis Russia. An assessment that a short-range nuclear potential is no longer essential would open up new possibilities for re-engaging Russia, although the latter seems increasingly to favor reliance on nuclear deterrence. Initiatives to reinvigorate nuclear deterrence, adjusting it to contemporary threats, would risk bringing out into the open the considerable internal disagreements within the Alliance. It would also risk an increase in international tensions. Conventional military capabilities, combined with détente diplomacy, would serve the security of the Allies better.