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## Integrating the Americas

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**Summitry in the Americas has become the predominant institution driving relations between the United States and its neighbors.** *Full recommendations, page 4.*

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### Summary:

The second Summit of the Americas, held this April in Santiago, Chile, confirmed that political leaders in the United States and Latin America believe that the nations of the Hemisphere are best served by membership in an integrated regional market that is also more open to the globe. Leaders also agreed that summits contribute significantly to the interests of their nations and therefore should be periodically convened.

Since the 1994 Miami Summit, a series of ministerials and working groups have developed a detailed agenda for future negotiations and begun to establish a hemispheric community of trade officials. But the grand design omitted do-

mestic political support in the United States and Brazil. Facing this disappointment, the United States and Chile devised a two-pronged strategy for the 1 April 1998 Santiago Summit. First, hemispheric leaders agreed to a full-blown structure for future talks, and announced the launch of negotiations. Simultaneously, leaders shined more light on the social and political initiatives on the Summit agenda.

The greatest challenge facing inter-American summitry is the cultivation of domestic political constituencies. One way to build popular support would be to involve the private sector and civic organizations in the design and implementation of Summit initiatives. ❖

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In Miami and Santiago, the 34 Western Hemisphere democratically-elected heads of state and government convened to approve declarations of principle that codified the consensus goals of democracy, open markets, social justice and sustainable development. The accompanying more detailed plans of action were intended to transform these lofty sentiments into concrete initiatives and work plans.

The centerpiece in December 1994 at Miami was the agreement to negotiate a free trade area of the Americas (FTAA) by 2005. Since Miami, a series of ministerials and a dozen working groups have developed a detailed agenda for future negotiations and begun to establish a hemispheric community of trade officials. The new Trade Unit of the Organization of American States (OAS) earned a reputation for quality work by compiling in-depth comparative studies of subregional free trade arrangements. The private sector coalesced into an Americas Business Forum with the potential capacity to advise governments and influence public opinion.

Moreover, subregional trading arrangements—that are the potential building blocs for hemispheric free trade—have blossomed. Trade among southern cone common market countries (Brazil, Argentina, Uruguay and Paraguay) more than tripled between 1991 and 1996.

But the grand design omitted one key ingredient: domestic political support in the United States and Brazil. In the United States, proponents of the FTAA failed to rally popular opinion behind open commerce with Latin America. In the fall of 1997, an unholy alliance between right-wing nationalist Republicans and union-financed liberal Democrats deprived the President of “fast track” authority to negotiate trade deals that would be immune from amendment once submitted to the Congress. In the absence of fast track, the Latin Americans fear that they would have to make a second round of concessions to the United States Congress, and so for the time being are hesitant to enter into serious bargaining with executive branch trade negotiators.

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## Santiago Strategy

Facing this panorama of disappointed expectations, the United States and Chile devised a two-pronged strategy for the 1 April 1998 Santiago Summit. First, hemispheric leaders would agree to a full-blown structure for

future talks, and announce the launch of negotiations. There would be progress on process, and promise of future substantive returns.

Simultaneously, leaders would shine more light on other portions of the Summit agenda. In the run-up to Santiago, Chilean and U.S. government spindoctors highlighted political and social initiatives. For example, the Santiago Plan of Action placed a reaffirmation of the Miami call for universal access to and completion of quality primary education by the year 2010 in the number one spot on the list of initiatives, and called education “The Key to Progress.” Other Miami initiatives were repackaged and labeled “second generation reforms” (first generation reforms being electoral and macroeconomic).

The Chileans added another spin, interpreting the lower U.S. profile (due in large measure to the Congressional denial of fast track authority) as a positive development: U.S. passivity allowed for a more balanced power relationship between North and South, as Latin America stepped into the vacuum to play a more assertive role. Santiago’s emphasis on education and poverty alleviation was painted as a more Latinesque agenda—never mind that the FTAA itself had been a Latin American-inspired initiative imposed on a wary and divided United States government.<sup>1</sup>

As the United States and Chile, with support from others, unrolled their two-pronged strategy, no leader saw it in his or her interests to disturb the meeting’s polite gentility, which by the closing plenary evolved into a positive atmosphere of good feeling.

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## Themes of Summitry

Santiago confirmed the Miami truths: that politically dominant groups in the United States and Latin America believe that, individually and collectively, the nations of the Hemisphere are best served by stable, democratic capitalism and belonging to a region whose markets are more integrated among themselves while also becoming more open to the globe.

Santiago also confirmed that the region has a broad, shared agenda. Part of that agenda derives from “spillover” issues such as narcotics, immigration and environment. Other parts of the agenda arise from “substantive symme-

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<sup>1</sup> For a description of the negotiations leading up to the agreement on the FTAA in Miami, see Richard Feinberg, *Summitry in the Americas: A Progress Report* (Washington, DC: Institute for International Economics, 1997).

try”—the fact that the globalized economy imposes a common policy agenda on all nations of the hemisphere.<sup>2</sup> To be globally competitive, governments must improve their own administrative performance, better regulate capital markets, provide an enabling environment for entrepreneurs, open foreign markets to exporters, make their own markets attractive to foreign investors, raise the human capital embodied in their labor forces (better health and education), and secure predictable rules through more efficient and less corrupt law enforcement. Progress across this comprehensive consensus agenda, it is widely assumed, will also promote domestic political legitimacy and stability throughout the Hemisphere.

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### From Words to Deeds

Implementation of the Miami agenda had been spotty. The independent Leadership Council for Inter-American Summitry judged that progress on key Miami initiatives stood somewhere from “modest” to “good,” but only one initiative (health) registered “very good.” The Leadership Council found that flaws in the Miami process included far too many initiatives, and shortages of measurable goals, timetables, priorities, technical and financial resources. Monitoring and evaluation mechanisms and administrative capacity have also been deficient.<sup>3</sup>

In Santiago, leaders corrected some of these flaws. In Miami, the education initiative failed to identify a lead institution or to assign fresh resources to build new schools and train competent teachers. In contrast, this April, the leaders asked the well-endowed World Bank and Inter-American Development Bank to set aside \$6 billion over three years to bolster education in Latin America. The World Bank will chair a meeting in June to transform Santiago’s promise into a step-by-step work plan, and will monitor progress to keep performance on track.

In 1996 countries signed an Inter-American Convention Against Corruption. Santiago selected among its long list of goals a concentration on codes of conduct for public employees, asset disclosure by senior officials, and bribery in international commercial transactions. Chile will host a symposium on “enhanc-

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<sup>2</sup> Richard Feinberg, “Substantive Summitry in Hemispheric Relations,” *Vital Speeches of the Day*, 15 June 1994.

<sup>3</sup> Leadership Council for Inter-American Summitry, *From Talk to Action: How Summits Can Help Forge a Western Hemisphere Community of Prosperous Democracies* (Miami: North-South Center, University of Miami, 1998), pp. 10–12.

ing probity” by August, and the OAS will sponsor follow-up workshops.

Further, the OAS was assigned responsibility for establishing a secretariat to keep records, convene meetings, and provide technical support to the ongoing Summit Implementation Review Group (SIRG). It remains to be seen, however, whether these official mechanisms can gather sufficient expertise and political will to adequately assess government performance.

Most importantly, leaders agreed that summits contribute significantly to the interests of their nations and therefore should be periodically convened. Canada will host the next within two to four years.

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### On Toward Canada

Notwithstanding these improvements in the inter-American summitry process, serious flaws remain. Summit declarations are still much too long and ambitious, making many more promises than the hemisphere has the capacity to fulfill. Miami’s contained over 150 action items, and by one count the Santiago communiqué runs to over 170 specific goals! Foreign ministries have yet to figure out how to gain consensus without allowing each of the 34 governments to include its own pet initiatives and thereby generate an open-ended laundry list of commitments.

Perhaps the greatest challenge facing inter-American summitry is the cultivation of domestic political constituencies. Notably in the larger countries, many citizens still question the wisdom of inter-American cooperation. Mexicans cherish their “sovereignty,” some Brazilians fear U.S. power, and many U.S. citizens doubt that Latin Americans are worthy partners (as seen in the contentious debate over fast track trade authority).

One way to build popular support for inter-American cooperation would be to involve the private sector and civil society organizations more fully in the design and implementation of Summit initiatives. In this respect, Miami was more inclusive than was Santiago, where foreign ministries successfully sought to reassert their bureaucratic control over agenda-setting and marginalized non-governmental organizations from many initiatives. As host of the next summit, the Canadian government may well seek to renew public participation in the process.

Summitry in the Americas is still in its infancy, but it has already become the predominant insti-

tution driving the relations between the United States and its neighbors. If summitry can continue to build on its successes and learn from its mistakes, these periodic meetings of hemispheric leaders will gradually transform the fact of geographic proximity into the ideal of genuine community. Without reference to any sweeping international relations doctrine, the Western Hemisphere will have forged a strategic alliance with global weight. ❖

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## How to build a Western Hemispheric community:

- 1. Convene periodic summits.**
- 2. Focus on key initiatives, and designate the financial resources to do them.**
- 3. Establish measurable goals, with monitoring and evaluation mechanisms.**
- 4. Involve the private sector and civic organizations in their design and implementation.**

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