at all what Latin America's future will be—whether it will become still more unjust, repressive, and divided or whether it will build stronger civil society, improved equity, and social solidarity. Nor is it by any means clear how the United States will evolve—whether the uprising in Los Angeles is a precursor of others or rather a timely alarm that will lead to effective reforms.

It is in this highly uncertain and insecure new world that countries like Argentina must devise their policies, internal and international. This is not the place for a full discussion of this topic, but from an Argentine perspective, I would call for trying to fashion a new era of cooperation with the United States, based on appreciating and paying attention to shared interests and priorities.

Both the United States and Latin America now need to redress inequities and reduce poverty. Both need to strengthen education and improve the skills of their workers. Both need to confront environmental dangers, to safeguard public health, and to control the danger of narcotics. Both need to strengthen democratic governance, to reduce military spending and influence, and to resist nationalism and racism. Both Latin America and the United States need, above all, to fight protectionism and self-indulgence and to improve competitiveness in an open world economy.

Because of these shared challenges, there is room for much greater cooperation between Latin America and the United States than in the past. But this will be so only if all Americans, North and South, tackle the social, economic, and political agenda with policies that are open, participatory, solidary, and cooperative.

This is today's hope, and it is a reasonable hope to which I am personally committed as a political leader. But this positive future could still be overwhelmed, we must understand, by narrow and selfish impulses—by nationalism, racism, anti-immigrant sentiment, beggar-thy-neighbor international economic policies, and trickle-down domestic approaches.

The direction in which inter-American relations will evolve in the 1990s depends both on Latin America and the United States and on their capacities to rise to the level required by the new international circumstances this book illuminates. Exchanges of ideas and information, like those fostered by the Inter-American Dialogue, can make a positive contribution, helping to build the needed vision and will.

Latin America: Decline and Responsibility

Osvaldo Hurtado

The dramatic changes in the world are all around us: the end of the Cold War and the possibilities for peace despite the confrontations unleashed by nationalism, the collapse of the Soviet Union and the waning of ideological conflict, and the surging onto the agenda of new issues like migration or the environment. In these circumstances, the concepts of the Third World or of nonalignment have lost meaning.

Economically, the trends we see are paradoxical. On the one hand, capital now knows no nationality, and the nations of the world are becoming ever more interdependent. Yet on the other, the world seems to be developing into great regional economic blocs—in Europe, East Asia, and North America. Although the United States is much less dominant an economic power than it used to be, it will continue to play the main role in Latin America.

The reality of economics and of other issues of mutual interest—from migration to narcotics to the environment—will impel the United States and Latin America to try to find common ground. The United States will not be able to respond to the challenge presented by Europe and Japan if it does not form a larger economic unit, a process already begun with NAFTA, joining the United States with Canada and Mexico. It may also turn out that turbulence in the former Socialist lands of Eastern Europe and the Soviet Union will limit their economic promise and so turn the eyes of world commerce toward Latin America once again.

If Latin America's popular and middle classes continue to be impoverished, they will migrate in large numbers to the United States in search of employment. Given current birthrates, the Hispanics in the United States will then be the second largest ethnic group there by the next century—a fact that will surely have some impact on U.S. policies.

So, too, as ecology moves up on the international agenda, Latin America may acquire some negotiating leverage by virtue of possessing the globe's biggest reserves of tropical rain forest. And to the extent that the tragedy of narcotics can be addressed through reducing supplies—as well as restraining demand—the states of Latin America are necessary partners.

In confronting these new realities, moreover, Latin America is less locked into the old pattern of confrontation or subordination in its relations to the United States. Both halves of the hemisphere are moving toward more constructive, less confrontational approaches, thus opening possibilities for mutual benefit.

The Regional Crisis

This is the positive prospect. Reaching it will require overcoming the crises—of economy, state, and governance—of the 1980s. It will require Latin Americans to take responsibility for their future.

The dimensions of the economic crisis that has gripped the continent for a decade are well known and do not need to be rehearsed here. Although the 1960s and 1970s were a generation of growth for the region, the debt, stagnation, and inflation of the last decade has left the area as a whole no better off than it was in the late 1970s, and in Peru, Argentina, and Bolivia, the fall has been greater still.

All countries of the region have had to put their houses back in order through painful adjustment programs. Except for Colombia, Chile, Mexico, and, to a certain extent, Argentina, none has yet succeeded in correcting its economic disequilibrium and beginning to improve general standards of living.

In the process, hard questions have arisen about the role of the state, which was the main agent of change during the decades of inward-looking, import-substituting growth. Yet with the collapse of the Socialist economies, statist economic policies were discredited, and the debt crisis left Latin American nations bereft of new resources. More to the point, the states that resulted were bloated and inefficient, presiding over protected national industries that were uncompetitive in the increasingly open global marketplace.

All these states of the region have had to shrink and to open their national economies. Yet the state will continue to be important. "Smaller" is not the only answer to the question of what kind of state should evolve in Latin America. "More effective" will also be a critical characteristic.

In some parts of Latin America, pressured by the economic crisis, states have virtually decomposed, losing control of large areas of territory or, even where they retain it, losing their monopoly of force. The virtually ungovernable Peru is the most striking example. If Latin American states relinquish their ability to fulfill the fundamental functions of states, they will be still less able to undertake the more complex policies required in the decade ahead—setting in motion and upholding economic policies to assure that markets remain open and information flows freely.

That task also raises deep questions about the strength of democracy in the region. Until recently, democracy seemed to have taken root almost everywhere in Latin America. Despite the sacrifices of economic austerity, more and more countries turned (or returned) to democracy, and in others, power alternated peacefully between political parties. Yet those democracies found themselves administering scarcity (and perhaps making it worse), rather than stimulating growth. Ideology followed ideology with no solution to the economic problems.

In such circumstance, most visibly in Peru and Brazil, voters turned to a new style of leader above or apart from the perceived evils of professional politicians. But these leaders, too, have failed, not just because of the difficulty of the problems they have confronted but also because of their own weaknesses. They have not been able to build supporting political parties and so have lacked parliamentary majorities, they have been short on democratic experience and vocation, and they have not been able to count on technically strong governing teams.

The coups d'état in Venezuela and Peru—the first a failure, the second a success—stand as testimony to the loss of credibility of political leaders and the loss of faith in democracy and its institutions. In the process, the shallow roots of democracy in Latin America have become apparent. The kinds of political parties that can integrate a government and, in turn, constitute a responsible opposition are lacking. Instead, parties are fleeting, organized around personalities. The culture of negotiation hardly exists; Latin Americans are more likely to debate and litigate than work toward compromise.

Democracy is not ingrained. Legal legitimacy is not enough; it must be buttressed by social legitimacy. And basic political rights are insufficient unless augmented by some promise of achieving the well-being of citizens and families.

A Basis for Hope

If there is a basis for hope, it rests on the promising economic signs of the early 1990s and, more fundamentally, in the realm of ideas—in a convergence of thinking in the region and on a willingness to take responsibility on the part of Latin Americans themselves.

Growth in the region reached 3 percent in 1991, more still in 1992. Inflation diminished almost everywhere, in particular in most countries where it had become chronic. The burden of debt decreased for the fifth straight year, and for the first time in a decade, Latin America stopped being a net transferrer of resources abroad. Money that was once invested overseas has been returning home.

To be sure, these hopeful signs are no more than that. The successes are confined to a few countries—Chile, Mexico, Argentina, and Colombia—and even there, the tangible fruits of the economic transformation are yet meager. Poverty in the region has increased; some four-fifths of the population now must be labeled poor. If protectionism increased in the industrial world or if the promising path of the region's debt reversed (perhaps through a sharp increase in interest rates), the hopeful beginnings would be snuffed out.

Latin America's on-again, off-again economic performance has reflected the instability of its politics. In Europe after World War II or in Asia's "four tigers" more recently, economic success rested on great continuity in politics and policies. In Latin America, by contrast, there has been little such continuity.

Communist groups were always in the minority in Latin America (Cuba and Chile excepted), but Marxist ideas inspired guerilla groups, student organizations, and labor unions. These groups questioned the democratic system and were radical critics of market economics. At the other end of the political spectrum, if authoritarian regimes were not bluntly repressive, their paternalistic policies ended up converting public money and public institutions into benefactors of particular groups in private society.

Today, however, the convergence toward democracy and market economics is striking. Communism collapsed of its own weight in the Soviet Union and Eastern Europe, and the Cuban model has ceased to inspire Latin Americans. The Sandinistas in Nicaragua were obliged to submit to free and fair elections, and in Columbia and El Salvador, guerrillas opted for national democratic processes. The convergence from the Right has been less visible but no less important; for their part, groups on the Right have moved away from autocratic politics and paternalistic economics.

Perhaps even more important, Latin Americans have realized that their problems are their own responsibility. For a long time, it was common for Latin Americans to blame economic dependence and U.S. imperialism for the majority of the region's troubles. Yet now, though the industrial world has lost interest in Latin America, the region's problems have not gotten better; on the contrary, isolation has made them worse.

It has become ever more clear that Latin America's problems are the responsibility of its leaders—politicians, people of commerce, workers, intellectuals, and technicians. The region's decline originates in the Latin Americans' inability to confront and resolve their problems, and the road to solution therefore must begin with the region's own efforts. A new generation has recognized that fact. What is important now is that Latin America's leaders sustain those efforts and implement policies that make sense in a new world.

Brazil in a New World

Celso Lafer

For Brazil, as for any other nation, the discussion of its international role must depart from both the realities of a globe in constant transformation and the specifics of its own permanent interests and anxieties as a sovereign nation. Particular objective elements deriving from what might be called the external profile of the country must also be taken into account.

The first of these, plainly, is the nation's dimension, both in terms of territory and people, as well as its politics, economy, and culture. Brazil has an undeniable weight and identity in the global panorama, similar to that of Russia, India, or China, despite differences in culture and level of development.

Geographic location naturally adds another fundamental fact to this analysis. In Brazil's case, elements of this geographical context have become familiar—the large number of neighbors and the variety of forums for national action (ranging from the Treaty of the River Plate to cooperation in the Amazon, as well as the organizations for economic and political integration). Thus, Latin America is, for Brazil, not merely a diplomatic option. It is its circumstance.

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