

A Time of Change

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There is symbolism in the fact that recently the Capitol building in Washington, DC, the meeting place of the nation's legislature, has been surrounded by scaffolding while repairs take place. Politics, it seems, are also under repair in America and as confusing as they may be, foreigners should watch carefully in November when the two main political parties choose their respective candidate for the presidency because the outcome will affect the world.

As populism recedes in Latin America it appears to be gaining traction in America, judging by the rhetoric of some of the presidential candidates. President Obama has undoubtedly healed a weeping wound in his country's relations with Latin America by opening a dialogue with Cuba after more than 50 years of the communist island being treated as a pariah; by the time you read this he will have visited the island, the first sitting president to do so in nearly 90 years. Would a President Trump build on the ties already made? Mexico's anti-Trump president sees a political fervour similar to Hitler's rise in Germany. The Economist Intelligence Unit considers a Trump presidency as one of the top ten risks facing the world.

America's previous two forays into the region (Grenada in 1983 and Panama in 1989) in the latter part of the last century did nothing to help quell the brooding resentment and lingering suspicion that Latins have had since the Monroe doctrine which heralded the start of constant interference in the region's affairs. In most of the last century America was certainly the main foreign player in the region, although it was a complicated and ambivalent relationship, swinging between co-operation and conflict, and often predicated on America's concerns with the spread of communism in what was once its backyard.

But since the 1980s Latin America's global relations have undergone a complete transformation. The result of this has been the decline in American influence and the US can never again have the political clout it once had, having been sidelined by countries such as India and China. As America confronted challenges abroad, particularly in the Middle East, the region has



been shaping its future, one distinctly different from what went before. And yet Latin America still has strategic, economic, and cultural links with America which are very important and by focusing on common areas of concern, they can continue to develop a partnership beneficial to everyone, bolstering stability, prosperity and democracy throughout the hemisphere.

Chopsticks and Spoons

America frets about the remarkable advances that China has made in just over a decade on what used to be its patch. It is right to do so. Latin American and Caribbean exports have increased 23 per cent a year since 2000 (mindful, however, that the commodities express train has now lost a considerable amount of steam). Chinese banks have provided about US\$119 billion in regional finance since 2005 and Confucius Institutes are appearing across the region with corresponding influences to be found in the cultural, military and political spheres.

Added to this are the changing economic conditions in both China and Latin America, including the shifting patterns of consumption in China and the increasing professionalism- and international thrust – of Chinese firms. Following the 2007-8 global food crisis, China's agricultural industry is anxious to secure long-term access to Latin American resources. The same goes for energy supplies. In 2011 China Petroleum and Chemical Corporation acquired a 30 per cent stake in Galp Energia Brazil and then in 2013 it purchased the Peruvian subsidiary of Brazil's state-owned oil company, Petrobras. Testimony from the US House of Representatives Committee on Foreign Affairs indicates that as much as US\$50 billion has been loaned to Venezuela by Chinese banks. Many of the loans have been repaid in oil by a country which has the largest proven oil resources in the world.

Ideologies, as in the case of Cuba, have never been impediments for China, unlike America, and one only has to look at Africa for proof of this. In Shakespeare's play, Comedy of Errors, one of the characters warns "He who eats with the Devil needs a very long spoon". But the Chinese use chopsticks and their style of politics, just like their eating, is unique.

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