

Wes Castillo

Development in Latin America

Essay 4

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Note

In this essay I would like to give my personal thoughts on what I believe would contribute to a more stable and sustainable growth plan in Latin America. This opinion is entirely based on my understanding of the history of the region and what problems it currently faces. While I acknowledge that my recommendations may possess significant shortcomings, I am committed to addressing as many of these issues as possible, with the intention of delineating a clearer path toward my vision of progress.

It is important to acknowledge the inherent complexities and potential obstacles associated with my proposed course of action. I recognize that achieving substantial improvements in the region may necessitate external influences or changes in circumstances. Consequently, I believe that the prospects for significant positive transformation in Latin America may depend on shifts that originate beyond its borders.

My primary objective is to present a broad vision and outline the challenges that must be overcome, leaving the intricate implementation and thoughtful consideration of the feasibility of such a proposal to individuals with greater expertise in the field. Regrettably, due to the enduring repercussions of historical conflicts and internal strife in the region, I am inclined to believe that Latin American nations may find themselves in a position of reactivity and opportunism within the global economy and political landscape. This outlook also characterizes the competition and lack of cohesion within the region itself.

The Unification of Efforts and Ideals in Latin America for a better Future for the Region

Throughout Latin America's history as a region of independent nations liberated from colonial rule, the prevailing issues of poverty and political turmoil have consistently shaped the region's ongoing quest for progress. In contemporary times, Latin America appears to be teetering on the brink of repeating past mistakes and enduring familiar struggles. This prompts a crucial question: Is the fate of Latin America genuinely determined by its own people, or are they beholden to the whims of the international market and the influence wielded by key global players?

Upon reflecting on our readings and discussions, it is my conviction that the only viable path for Latin American nations to liberate themselves from the constraints imposed by external forces and to foster sustainable development that prioritizes the well-being of their citizens, while safeguarding their future, lies in a unified commitment to shared ideals and collaborative efforts among Latin American countries. This unity, I believe, is essential not only for their economic prosperity but also for the development of their collective influence in the global political stage, it is only through consolidating the power they hold as countries with abundant resources and manpower, that they will be able to better vie for their interests as a whole on the world stage.

To me the most effective means of fostering greater unity among Latin American countries is facilitating a more seamless connection of their markets. Presently, a substantial proportion of trade in the region is conducted with foreign nations, notably

the United States, owing to its geographical proximity. Even dis-including the US, nations across the world still trade with Latin American countries and receive drastically more of their products than all their neighbors do combined.

So, if one step towards creating unification in the region is joining the markets and achieving a higher rate of intra-regional trade, then what are the challenges that will present themselves, and why have the efforts to do so in the past been generally unsuccessful or underwhelming in their small victories?

There have been many attempts at joining Latin American economies/politics more seamlessly in the past, while they didn't attempt to unify as an entire region, many did see the value in incentivizing trade locally. Examples include Mercosur (established by Argentina, Brazil, Paraguay, and Uruguay in 1991), The Pacific Alliance (formed by Chile, Columbia, Mexico, and Peru in 2011), and the Andean Community (comprising Bolivia, Columbia, Ecuador, and Peru). There have also been efforts that included even more countries such as CELAC and LAIA. While the specific aims of these many alliances may have been different, they can be characterized by their attempts to promote trade amongst members, unify economies, and deepen political and economic integration in general. Successes across the board have been mixed and moderate, while many things may have been achieved the fact remains that intra-regional trade is still insignificant as a portion of total trading value. Looking back on all these examples collectively we see that the two main reasons for failure are un-complementary economies (similar export profiles, and a lack of diversity in production), and drastically different political views.

Many countries in Latin America are heavily reliant on exporting primary goods such as agricultural products, minerals, and oil. This means they often compete in the same markets rather than complementing each other's economies with diverse products and services. There is also a lack of diversity in higher-value industries like manufacturing and technology. Without a wide range of industries, countries are less likely to find trading partners within the region for more complex goods and services. They are also naturally less likely to be able to function as a joined economy, as many focus on meeting the same needs, which are in fact not their own.

Regarding the political differences, Latin American countries have governments that range from left-wing socialist to right-wing conservative. These ideological differences can affect trade policies, willingness to engage in regional integration, and the alignment of economic interests. There are also variations in economic policies and priorities. Some countries may focus on state-led development, while others prioritize market-driven policies. These differences can lead to divergent approaches to trade, investment, and economic integration. Beyond political differences, many Latin American countries have experienced significant political instability, which can disrupt ongoing integration efforts. Changes in government often bring changes in foreign and economic policies, which can lead to renegotiation or withdrawal from existing regional agreements.

The solutions to these problems are as simple as they are difficult to realize. A wider range of industries would have to be developed to create more complementary trading opportunities within the region. A greater state of coordination and harmonization in economic policy implementation would need to be brought out,

presumably by developing stronger regional institutions that could provide stability and continuity for integration efforts, even amid political changes in member countries. This regional organization would have to engage diplomatically regularly and attempt to build a consensus that empowers all members to strive for their collective benefit.

However, even disregarding the magnitude of work implementing such an organization effectively would be, there is also the ever-present threat of corruption and outside influence. Throughout our readings, it has been shown that the US will rarely hesitate to protect their benefits by exercising their power over other nations.

Fashioning the agreements necessary to create such an organization may also put Latin American countries in conflict with the US due to trade agreements put in place in the past.

The challenges to the successful completion of a project like this go far beyond the most obvious surface level challenges that I have laid out. For example, how would the distribution of power within a large regional organization like this be handled? How could countries with more capital and influence like Brazil be incentivized to make up for their less influential Latin American partners? How will the will of foreign governments be deterred in decision making processes? Where would the funds come from? And so on. Frankly I don't begin to have the knowledge to begin to tentatively answer these questions, but even despite that I do believe that the unification of Latin American economies and political ideals, perhaps through a powerful regional alliance/organization may be the only path towards realizing a more robust and resilient economy, which would then allow them the collective power to more effectively argue and realize their needs on the global political stage.

