In Latin America, creative focus could pay off
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For decades, Latin America policy specialists have lamented how the Western Hemisphere is never a priority for U.S. presidents. For all the United States' economic and cultural ties with the region, however, America's neighbors to the south do not face the kinds of imminent threats that tend to get a president's undivided attention -- and fortunately so.

But while Latin America may never, and arguably should never, figure on the list of the U.S. executive's top concerns, several innovative pushes across the U.S. foreign policy apparatus would not only dramatically help advance U.S. relations and leadership in the region, they would also set the tone for relations for decades to come, while making sure the region never gets what many have wrongly longed for: the president's urgent attention.

Decades of bipartisan U.S. policies promoting free trade agreements, collaboration in areas such as security, institutional reform and development, and protections for human rights and democracy today provide a strong foundation for a new kind of policy approach to the hemisphere -- one built on mutual interests that can shore up not just U.S. leadership in the region but hemispheric leadership globally. After all, the real importance of hemispheric relations extends beyond North-South issues, and affects the global economic and diplomatic power of both sides.

In 2011, trade between the United States and Latin America and the Caribbean totaled $800 billion, with the economies to the south of the Rio Grande consuming more than 20 percent of U.S. exports. The rise of Asian economies notwithstanding, the volume of U.S.-Latin American trade is still greater than that with China for either side. More important for U.S. workers, America's southern trade partners are buying high-end manufactured American goods. Thirteen countries, including Chile, Colombia, Guatemala, Venezuela and Mexico, import more from the U.S. than from any other country, much of it in the form of goods like computers, telecommunications equipment, cars and machinery.

At the same time, the hemisphere is also one of the most important sources of energy for the United States, providing 28 percent of U.S. petroleum imports, a position it will maintain until the U.S. fully taps its newfound wealth in oil and natural gas locked in shale. The region is important to U.S. domestic and foreign interests in many other ways as well, including with regard to immigration and illegal narcotics that are produced in, and flow into the U.S. from, the south.

The question is: How do we deepen and build on the positive ties and accomplishments?

The answer does not require regular presidential engagement. What it does require are creative executive mandates that will direct the welter of bureaucracies and agencies that work on the region toward common, innovative goals. This will mean setting in motion a crossbureaucratic series of initiatives to reshape hemispheric relations by tying them more closely to broader U.S. foreign policies.

None of these implies broad, sweeping initiatives for Latin America and the Caribbean -- quite the opposite. The region has grown too economically and politically diverse for such efforts. Instead, efforts to consolidate relations must be designed around market-based and political logic as well as national interests to forge a positive pole in the hemisphere around which other countries can rally.

Here are four initiatives that either build on existing efforts or help lay the groundwork for regional priorities.

Double Down on the Trans-Pacific Partnership

Though little-known, the negotiations to create the Trans-Pacific Partnership (TPP) could be one of the most important institution-building initiatives since the Cold War.

Economically, it is the first effort to weave together cross-hemispheric bilateral and multilateral free trade agreements into a broad market. When completed, the TPP will include Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam -- with Japan and South Korea also expressing interest in joining. Combined, the current 11 countries constitute $21 trillion in GDP, with $4.4 trillion in trade in goods and services (.pdf). With South Korea and Japan, this new trade zone would total 40 percent of world GDP.

With 29 sectors under discussion for the lowering of trade barriers and the updating of trade rules among the diverse nations, the TPP would create the potential for a powerful, modern free trade zone. Such a broad, diverse modern market would create tremendous opportunities for productivity and competitiveness among all member countries and in their economic relations outside the bloc.

Diplomatically, the TPP is the economic, soft-power adjunct to Washington's Asia pivot to check potential Chinese ambitions in its neighborhood. In the Western Hemisphere, the TPP will provide an attractive alternative to the sort of distorted, dependency-oriented bilateral trade that Beijing is currently offering the region, by which China buys primary products and sells back value-added goods made with the same materials.

Moreover, the U.S. and its economic allies in the region will create a powerful, progressive point of attraction for other willing and economically serious countries in the hemisphere. Previous efforts to build a free trade area of the Americas (FTAA) after 1993 ran aground on pre-existing trade agreements, such as Mercosur, and friction between the U.S. and Brazil's trade agendas and domestic policies.

As Mercosur and other regional trade arrangements continue to flounder, the attraction of the TPP will only rise. Already, Colombia has expressed interest in joining.

Deepen NAFTA: Infrastructure and Energy

Since it came into force in 1994, the North American Free Trade Agreement has become a centerpiece of U.S. policy toward the region, even though many of its original ambitions have been left unmet. Trade among the United States, Mexico and Canada, which has risen threefold since the agreement came into force, is currently estimated to support 14 million U.S. jobs.

The free trade zone was also critical to Mexico's development and its recent recovery after the 2007 crisis. In 2012, Mexico's economic growth outpaced the one-time economic darling of the hemisphere, Brazil. Even more propitiously, Mexico exports more manufactured products, and not just to the U.S., than all other Latin American countries combined. Mexico's access to the

U.S. market has allowed Mexican manufacturers to build competencies in value-added production that they are now exploiting on the global market.

But there is still much to do to deepen and improve NAFTA so that it can serve as a catalyst for broader development, such as spurring greater infrastructure investment along the border and throughout Mexico, and expanding and improving the energy networks among all three members.

Deepening NAFTA will require presidential initiative. NAFTA has languished from suspicions over the agreement left over from before it was approved as well as lack of understanding of its potential. It has also fallen victim to the bureaucratic inertia of frequent technical meetings and summits that lack the necessary vision and executive commitment to really effect change. Now is the time to make the push to seize the economic and regional diplomatic potential of NAFTA.

Start to Engage With Cuba

For more than 52 years, U.S. policy toward Cuba has been guided by the embargo. That embargo, which was codified into law and now requires congressional action to lift, has distanced the United States from other countries' efforts in Cuba at a time when the decrepit government in Havana is timidly attempting to open up space for private initiative and activity. Other countries, such as Venezuela, Brazil and China, are actively engaged in the island. And while the reforms to date have been intended to ensure the survival of the socialist regime in the face of a fiscal crisis and mounting frustration, change is coming to Cuba, though when is unclear.

Human rights remain a concern. But a half-century of embargo has failed to provoke change and prevented the U.S. from pursuing its interests in a country just 90 miles off its coast. And here the stakes are substantial: A dramatic collapse of the Cuban government or an explosion of social unrest could bring a mass exodus of refugees across the Florida Straits and generate a crisis.

Despite the legally codified aspects of the embargo, there is significant latitude for the U.S. president to grant regulatory exceptions. In the next four years, Obama must seek ways to expand the scope for contact and access to information on issues of economic reform and business development, and should even push to permit trade of goods and services that target independent private sectors and entrepreneurs.

Brazil

As the world's sixth-largest economy and South America's largest, Brazil is seeking to assert its global and regional leadership. In its newly muscular foreign policy, Brazil has sought to carve out a role for itself as the representative of the developing world to the global North, while balancing U.S. influence in the region and in multilateral institutions. Globally this has manifested itself in Brazil's resistance to United Nations efforts in Iran, Libya and Syria. In the Western Hemisphere, it has led to the proliferation of subregional blocs -- such as UNASUR, underwritten largely by Brasilia -- that pointedly exclude the United States. Brazil's bilateral relations with Venezuela and Cuba have also been an effort to carve out a third way between the U.S. position and that of the Chávez and Castro governments in Venezuela and Cuba, though at what expense for human rights and regional stability remains to be seen.

In the past eight years, the U.S. and Brazil have managed to develop narrowly based common initiatives, such as educational exchanges, cooperation on aviation and air-traffic control, and business-to-business relations. But on the larger issues, accommodation with a rising Brazil will not always be easy -- nor should it be.

The U.S. does have several cards it can play. For one, Brazil seeks a global platform commensurate with its newfound status. This means gaining a seat at the table in world institutions, among them a place on an expanded U.N. Security Council, higher status in the

International Monetary Fund and World Bank, and potential membership in the Organization for Economic Cooperation and Development. Here the Obama administration should leverage its support for Brazil's goals in these institutions against greater cooperation from Brasilia for Washington's objectives. Second, the TPP, when completed and fully functioning, will provide another incentive for Brazil to cooperate with the United States, especially as Mercosur loses its economic logic. More immediately, Brazil's recent, unanticipated economic slowdown in 2012 and slower-than-expected growth in 2013 could mean a more humble Brasilia.

To be sure, the next four years will see hemispheric crises that will land on the president's desk. Among them will likely be some form of political transition in Venezuela and possibly Cuba, and ongoing security concerns in Mexico and Central America. For too long, however, crises and specific issues like security and narcotics have driven U.S. policy in the hemisphere.

In an era of selective cross-hemispheric convergence and greater competition among states in the region, the Obama administration now needs to look for ways to leverage its relations with economic and political allies in Latin America to expand the hemisphere's global reach, seize the advantages of the region's global ambitions and break free of the ideological baggage of the past. This requires only that the president send a signal of executive commitment and interest by setting in motion a limited series of initiatives. Doing so will update and remake our relations not only for the next four years, but for the next generation.

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