New Trends in the Americas

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Examining new trends in the Western Hemisphere is a necessary element of the Summit of the Americas process, in order to keep the Summit agenda relevant and to address issues as they arise in the region. This review of new trends is designed to continue this discussion at our mid--point between the Third and Fourth Summit of the Americas.
Several major worldwide changes have stimulated and conditioned new trends in the Americas. The consequences of the end of the Cold War were dramatic in terms of changing the global alliance structure and shifting the dynamic of major powers' foreign policies toward the eveloping countries. The end of support of anti-communist regimes by western powers and the parallel end of support of communist forces by the Soviet bloc created a further opening for positive political change in many countries. The explosion of information available to the public is a second global change affecting individual desires, political participation and cultural outreach. Technology is providing faster, cheaper and more varied information to larger and larger percentages of the world population. The third change is an almost universal adoption of market economies with the concomitant downsizing of the state and opening to international trade, creating significant changes in the structure of the marketplace and the role of governments in society.

The **first new trend** dominating the Americas is the rise and consolidation of democracy. As recently as the 1980s, major countries in the region were ruled by military officers. The celebration of the First Summit of the Americas in Miami in 1994 was stimulated by the fact that, with the exception of one country, all of the governments in the Americas were democratically elected. Democracy is now embedded in the region. Militaries are under civilian control. Citizens are empowered by their right to vote. They may be dissatisfied with their particular governments, but the commitment to a democratic system of government is strong and holding firm. This commitment to democracy is demonstrated in the OAS Democratic Charter, and reinforced at the subregional level by countries such as Brazil, which took the lead in forming Mercosur —a four nation alliance of Brazil, Argentina, Uruguay and Paraguay, that includes democratic rule as a condition of membership. The Mercosur mechanism was activated to protect democracy when it was threatened in Paraguay and succeeded in maintaining democracy through a concerted effort. In the Caribbean, CARICOM, maintains its long-standing commitment to democracy and takes pride in the old tradition of democracy in the islands. The United States and Canada, together with European donors, have made significant contributions to strengthening democratic institutions and modernizing the electoral process across the region. Inter-American institutions including the Organization of American States, the UN Economic Commission for Latin America and the Caribbean, the Inter-American Development Bank, and the Andean Community all have programs to support and strengthen democracy.

[1] The views expressed here are the author's alone and not those of theOrganization of American States General Secretariat nor of the Member States.

Democracy is showing resilience in the face of many pressures, such as poor economic conditions, rising vocal demands from citizens, lack of resources for government management and government services, and scarce foreign assistance to fund new programs.

Democratic elections, and the promise of democracies to deliver for their citizens, are raising expectations among voters, and as these expectations are not being met in much of the region, there is a strong wave of rising citizen discontent as a **second trend**. This discontent is increasingly expressed in media, marches, calls for referendum, polls, and on the Internet.

Some of the roots of this discontent are obvious and others more complex. Obvious causes are slow economic growth leading to unemployment. Unemployment is one of the top two concerns of citizens according to polling by Latinobarómetro, a Chilean polling firm. Blame for this lack of employment is directed toward governments with three major criticisms. First, why isn't the government doing more to create good jobs, either through direct hiring or through stimulation of the private sector? Second, why aren't privatized companies—primarily utilities and banks—generating more jobs and providing better service at a lower price? And, third, where are the promised benefits from opening our domestic market to international trade?

Another source of this discontent is less obvious. Citizens' expectations—especially among the older generations or those with less education—may be formed by the vision that a good government provides for its people. This perception is at odds with the reality of a modern democracy that, ideally, enforces the law, regulates the private sector for the public good, and provides a basic social safety net, but also leaves the private sector to offer the majority of jobs, goods and services to the population. Of course, many Latin American governments —for lack of resources, political will or managerial capacity— have not been able to provide what might rightly be expected from citizens in a modern democracy. So citizen discontent arises from what might be an outdated view of the role of government and also from the fact that modern governments are not delivering what a modern citizen should be able to expect. Modern citizens are seeking governments that reflect the national will, regulate the private sector for the public good, and provide social protections to the most vulnerable.

Finally, discontent arises from government corruption. Many analysts note that what today is perceived as corruption today was previously accepted as normal practice of the public sector. Expectations have changed as citizens come to expect government services to be provided without the barriers of special influence or the payment of bribes. Increased access to information has given citizens a new and more complete view of the work of their own governments, including scandals and common practices that divert public resources into private hands, which often breaks the law and spirit of government service. Governments are putting new procedures in place and changing their practices, but the process is slow and uneven, often creating frustration and ill will.

The third trend is a common call to action by governments to confront the problem of large segments of the population being excluded from the benefits of modern political and economic development. The community of the Americas and individual governments across the region are confronting the reality that economic growth and access to political power are not reaching significant numbers of citizens. Pressure to address this problem arises from the revitalized democratic process and from the emerging voices of civil society organizations in national and international forums. Although there is near unanimous acceptance of this problem as a regional priority, one requiring urgent action, there is much less consensus on what to do. Debates center around: (1) building on or replacing the dictates of the Washington Consensus, which was narrowly focused on macro-economic reform; (2) more fully implementing the Second Generation Reforms, which build on the macro-economic reforms but go deeper into governance issues, such as institutional reform for government management and modernizing conditions for private sector development; (3) spearheading specific initiatives to, for example, fight hunger or provide micro credit; (4) campaigns to significantly increase development assistance; (5) rethinking privatization of state enterprises; and (6) more aggressive moves to liberalize trade and improve competitiveness in the private sector.

The fourth trend is the emergence of non-traditional political movements. This trend is strongly connected to rising expectations of citizen participation in the political life of their country and the revolution in information technology. Although voting and elections are generally clean and well monitored, by national and international authorities, many citizens find themselves shut out of participation in selecting political party leaders and of influencing political party platforms and policies. In some countries with less developed parties, political parties may be formed around an individual political leader with little political base.

The well-documented information revolution brings news of the world directly to individuals without government control, and provides a low-cost mechanism for organizing. This can stimulate and amplify discontent, as people become aware of other lifestyles and political options. It can also facilitate individuals to join groups and mobilize for political action. There is a cross border aspect to this phenomenon as well. Individuals and national groups can join and learn from movements with similar objectives in other countries.

The two most prominent manifestations of this trend are the emergence of non-governmental, or civil society organizations, as a political force and the new international voice of indigenous movements. Civil society organizations are creating national and international coalitions to promote their interests across a range of issues, from human rights to environmental protection to

personal security. They tend to be single issue interest groups. This can give them power to pursue a focused agenda, such as the anti-land mines movement, and therefore they are by nature different from a broad-based political party. Their techniques for gaining political influence vary greatly but are

increasingly strengthened by exchange of information with other likeminded groups via the Internet and international meetings.

The indigenous movement is an example of a group formerly excluded from the traditional political process now finding its political voice through international connections. Mexican, Peruvian, Bolivian, Ecuadorian and Brazilian indigenous rights groups meet with Canadian and US groups and exchange perspectives and political techniques. These groups make alliances with environmental and human rights groups. Through organization and networking, indigenous groups have rapidly become major players in their domestic political scene and are influencing international and regional processes, as well as multilateral organizations using coordinated action on a global scale.

The fifth trend is the squeeze on government revenues. The limitation of revenues available for state spending comes from several factors, some external and some internal. External factors are slow, world-wide growth rates which dampen demand for commodities and other exports and reduce the amount of investment capital in the international lending pool, thus reducing private sector growth and tax revenues. Another factor external to Latin America and the Caribbean, but internal to the region, is the focus of the US government on security matters and the Middle East. This focus reduces funds which might have been used for development assistance and/or to strengthen democracies in Latin America and the Caribbean to other areas. The exception, of course, is Colombia, which is receiving significant US assistance for illegal drug eradication and to address the domestic guerilla movements.

Internal policies of unilateral, regional, and multilateral trade liberalization have lowered tariffs to stimulate trade. Although these policies are generally viewed as economically sound, in the short run they remove the formerly collected tariffs from state coffers. Privatization of state enterprises has—in cases where the enterprise was profitable—removed these profits from government revenues. In some cases, benefits given to companies buying enterprises from the State included reduced taxes as an investment incentive, further lowering tax revenues. Tax collection itself is a challenge in every country. In countries with limited resources to collect the taxes, and weak political institutions to back up the tax collectors in the face of powerful private sector interests, the task is monumental.

This lack of government revenue has revived an old trend in the region: debt. According to the World Bank, the following countries are severely indebted, which means that either the present value of debt service to Gross National Income exceeds 80 percent or the present value of debt service as a percentage of exports exceeds 220 percent: Argentina, Brazil, Ecuador, Guyana, Nicaragua, Panama, Peru and Uruguay. The high cost of debt servicing, the limitation to access of new credit, the vulnerability to unfavorable exchange rate movements and renegotiation with creditors are all costs of being severely indebted.

The sixth trend is immigration with homeland links. Immigration among countries in the region is an old story, but the new trend is how, with modern technologies, immigrants are maintaining cultural, political and financial links with their homelands. Hispanics comprise the largest minority group in the United States today. Upper income Hispanics are creating business links with their home countries, which entail investments in their home countries, investments of profits generated in their home countries in the United States, trade links and frequent business travel. Lower income Hispanics are saving from their wages and sending remittances to their home countries, usually on a monthly basis. According to a new report by the Inter-American Development Bank, remittance flows this year to Latin America and the Caribbean will reach $40 billion, surpassing foreign direct investment in the region. These funds are obviously now a major source of foreign exchange in the region and generally go directly to finance spending by low-income groups. Politically active Hispanics are playing a major role in US elections, and raising funds in the US for political campaigns in their home countries.

The lowering of telecommunications cost and air travel have allowed immigrants to stay in touch with their home communities, thereby maintaining a cultural link. This has facilitated the flow of Latin and Caribbean culture to the US and US culture to Latin America and the Caribbean. Latin jazz, Latin food, and Latin style are now very fashionable in the United States and Canada. Even in Latin America, commitment and pride in Latin American arts is growing. Among the younger generation, US culture is crowding out traditional links to European culture as far south as Argentina and Chile.

A final, **seventh trend** is the rapid change in the economic landscape driven by technology and globalization. For immigrant nations in the Americas with long histories of extractive industries and colonial connections, globalization is not a new phenomenon. And technology change has replaced the horse with the car, and the candle with the electric lamp. What has changed is the speed and scope of technology generation and application, and the depth and breadth of globalization. Opening to world trade is bringing all nations—but not yet all citizens— the benefit of being able to shop in the global marketplace for the best product at the lowest price. It is also bringing new technologies that produce goods faster, and often with fewer workers. These changes are already requiring a different view of work force training, education and the organization of the workforce in society.

Rapid change is difficult for any society. There are parts of all the countries of the Americas where there is resistance, and even a backlash, to these changes. There is a worldwide political and personal discussion underway on how to capture the benefits of technological change and globalization, and reduce the costs necessary for traditional industries—and poor and uneducated individuals with limited resources—to adjust and succeed.

Rapid globalization and technological change create other threats to economic success, such as new forms of terrorism, money laundering, transport of illicit goods, the spread of diseases across borders, and all of the added costs of fighting these dangers.

These seven new trends in the Americas are not unique to our Hemisphere, but have a significant impact on the plans and aspirations expressed through the Summits of the Americas. Exploring and understanding new trends and their interrelation with existing economic, political, and social patterns in the Hemisphere can enrich and inform our efforts in meeting the ambitious goals expressed by hemispheric leaders, and ensure the ongoing development of a relevant and rigorous Summit agenda.