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Strategic Research and Analysis Department



Theme 1: Regional Challenges and Opportunities

The United States Southern Command Area of Operations

Central and South America and the Caribbean

South America, Central America, and the Caribbean directly impact US security and prosperity through trade and investment ties, drugs and migratory flows, and other geographic factors. The area is in a process of profound socioeconomic and political stress and change, giving rise to challenges for the United States in peacetime and a potential future great-power conflict. The region's challenges and evolution also impact its member states' cooperation with the United States on security, political, economic, and other matters, presenting unprecedented risks and opportunities for US policymakers and the US security establishment.

Endemic high levels of insecurity, inequality, and public corruption in South and Central America have been magnified in recent years by the economic and fiscal effects of the COVID-19 pandemic, food and fuel supply and price effects from Russia's invasion of Ukraine, and increased climate-related phenomena, including hurricanes in Mexico and the Caribbean, plus unprecedented droughts, wildfires, and floods from Mexico to South America. Indeed, drought has even significantly impacted the

throughput of the Panama Canal, a significant international transit hub.

Rise of the Left and Other Impacts of Stressors on Regional Politics

Recent stresses in the region have eroded faith in Western-style procedural democracy's ability to address the region's endemic problems, fueling the election of and consolidation of power by populist and other disruptive political movements on both the left and the right, from the authoritarian-populist chavista government in Venezuela and the Sandinistas in Nicaragua, to Nayib Bukele and his New Ideas party. Other governments, such as the Libre government in Honduras, the Gustavo Petro government in Colombia, and the Luis Arce government in Bolivia, though still subject to some institutional and societal checks and balances, generate concerns about antidemocratic behaviors and divergence from the United States in criminal and security cooperation and other policies.

Of particular concern, where citizens' faith in procedural democracy has eroded, groups both in and out of power, particularly on the left, are weaponizing discontent, leveraging social media tools to destabilize, take power, and consolidate control.

Sidebar: Brazilian Army soldiers assigned to the 52nd Jungle Infantry Battalion rush down a pile of gravel toward an enemy position during the final assault of Exercise Southern Vanguard 24 in Oiapoque, Brazil (US Army National Guard photo by Specialist Joseph Liggio).





Still, the left's advance has also stimulated countercurrents in the region. Ecuadorans elected the 35-year-old son of a banana tycoon, partly out of fear of the left's return to power. In Argentina, a severe economic and financial crisis brought the radical libertarian Javier Milei to power with a strongly pro-market agenda and a notably pro-United States/China-skeptical orientation. In Paraguay, Santiago Peña, a young, dynamic leader, seeks to rebrand and develop the country through a business friendly orientation aligned with Israel, Taiwan, and the United States. Yet, the country's endemic corruption and Paraguay's centrality to drug flows across the region undermine Peña's ability to attract the investment corresponding to Paraguay's potential.

Implications of Political Shifts for the Strategic Environment

In the largest countries in the region, the confluence of stresses and disillusionment has empowered governments, posing strategic dilemmas for the United States. In Brazil, comprising roughly half the territory, population, and economy of South America, the Workers' Party government of Luiz Inácio Lula da Silva coincides with the United States on environmental and social justice matters. Yet, Brazil's government adopts regional and global policies in the spirit of an independent foreign policy that are detrimental to the United States on the issues of China, Russia, and the Middle East, and that undermine the isolation of authoritarian governments in the region, such as the Venezuelan and Nicaraguan governments. On the

strategically vital US southern border, the National Regeneration Movement regime of Andrés Manuel López Obrador, which came to power mainly through the inability of Mexico's traditional parties to solve the endemic problems of narco-violence, corruption, and inequality, has a troublingly mixed record of cooperation with the United States on the fundamental issues of drugs, migration, and commercial policy.

An unusually large number of upcoming national elections further magnifies the possibility of political mobilization and polarization in the stressed region, including in Panama and the Dominican Republic in May, Mexico in June, Venezuela in July, and Uruguay in October.

Transnational Organized Crime

Criminal and migratory dynamics have interacted with administratively ineffective and deeply corrupted regimes to stress the region further. Coca production, illicit funds in the economy, and violent competition between armed groups have swelled in Colombia and Venezuela, reflecting problematic policies by the Petro regime in Colombia to limit actions against armed groups while pursuing peace negotiations with them. The cessation of forced coca eradication is also a contributing factor and has augmented the effects of Colombia's flawed 2017 peace agreement with the Revolutionary Armed Forces of Colombia, flooding the country with cocaine and illicit funds. The Nicolás Maduro dictatorship in Venezuela has run the country as a de facto franchise for armed groups, transforming Venezuela into a significant producer of and transit country for cocaine

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and illegal mining products. Drug flows from the area have also spilled over into Ecuador, producing significant violence as local gangs backed by Colombian and Mexican cartels fight over Ecuadoran drug routes and use terror to intimidate local governments and populations.

In the Caribbean, narcotics flows from Venezuela and Colombia toward both the United States and Europe have also empowered local gangs with access to guns—mainly from the United States—to produce unprecedented levels of violence, particularly in Trinidad and Tobago and Jamaica. Meanwhile, Haiti’s cycle of gang violence and economic collapse has escalated to catastrophic proportions, obligating the neighboring Dominican Republic to expand efforts to seal off its border, including by constructing a border wall. The Haiti crisis has also driven international intervention efforts and added to the flood of migrants, which includes hundreds of thousands of Cubans, Ecuadoreans, Venezuelans, and others, moving across the Darién Gap, through Central America and Mexico, to the United States.

In South America, cocaine from Peru, weakened by ongoing social and political crises, and from Bolivia, fueled by a leftist government sympathetic to the coca producers, moves through Argentina, Brazil, and Uruguay. Cocaine from Peru and Bolivia brings corruption and criminal violence, as well as local addiction and overdose problems related to drugs such as crack cocaine and, increasingly, products laced with fentanyl.

Paralleling the role of Mexican and Colombian cartels in drug routes to the United States, South America faces escalating problems from Brazil-based criminal organizations such as the First Capital Command, the Red Command, and the criminal organizations’ surrogates fighting over routes.

Extra-hemispheric US Rivals in the Region

As a complement to stresses in the region from economic and criminal factors, extra-hemispheric actors are increasingly shaping the dynamics of South and Central America. The People’s Republic of China is expanding as a purchaser of the region’s foodstuffs and commodities, including strategic minerals such as lithium and niobium, and as a builder and operator of the region’s port, electricity, digital, and other infrastructures. The People’s Republic of China also influences the region through expanding business, academic, media, and other people-to-people networks. The People’s Republic of China is forging significant, albeit low-key, military- and public-security relationships and is actively seeking to induce the seven regional governments that engage in relations with Taiwan to switch recognition to the People’s Republic of China. Further, the People’s Republic of China is building and operating dual-use port, digital, and space infrastructures it could use against the United States during times of war.

As a complement to, but not overtly coordinated with, the People’s Republic of China, Russia and Iran maintain relationships with a small group



American Army Specialist Cynthia Walker, an infantryman assigned to the 1st Battalion, 26th Infantry Regiment, 2nd Brigade Combat Team, 101st Airborne Division (Air Assault), disembarks from a boat during a platoon-level jungle mock reconnaissance on an island in Oiapoque, Brazil, during the Southern Vanguard 24 exercise (US Army photo by Specialist Joshua Taeckens).

of pro–United States regimes, including Cuba, Nicaragua, and Venezuela. Russia and Iran’s regional relationships help these extra-hemispheric actors to engage in pro–United States military and other activities and undermine democracy in the region, while supporting the viability of pro–United States regimes. Russia was also formerly a major arms supplier to many countries in the region and is a current niche supplier of nitrate-based fertilizers, giving Russia leverage among agricultural producers. Iran is rebuilding its presence in the region, anchored in oil and arms cooperation with Venezuela and the insertion and movement of Iranian agents in the region with Venezuelan help. Iran’s surrogate, Hezbollah, also has a limited presence, primarily raising funds for operations elsewhere but creating a risk of terrorist activities in the region if the conflict in the Middle East escalates.

Conclusion

The future of South and Central America in the near term will be shaped

by the degree to which regimes looking toward the United States succeed in their efforts to overcome grave challenges, including Argentina with its economic crisis, Ecuador with its security crisis, and Paraguay with the Peña government’s effort to break free of a legacy of corruption. Argentina, Ecuador, and Paraguay’s success or failures will send important signals to the rest of the region regarding the reliability of the United States as a partner and the benefits of pursuing the path of market economies, transparency, and Western-style democracy. At the same time, the United States will be challenged to navigate the landscape of once more closely aligned nations such as Brazil, Colombia, Honduras, and Mexico, which are impacted by criminal and other stresses. Such nations coincide with the United States in some areas but are more willing to take actions that adversely impact US equities, such as providing an opening to authoritarian regimes, such as Cuba, Nicaragua, and Venezuela, and their engagement with extra-hemispheric US rivals.