

The Latin America That Will Engage the New Administration

By R. Evan Ellis¹

As U.S. election challenges proceed toward resolution and President-elect Joseph Biden puts his **transition team** into place, Latin America and the Caribbean will demand his attention. The region—which most directly affects U.S. security and prosperity through ties of geography, commerce, and family—is in the early stages of potentially transformational economic, social, and political convulsions. They will affect the United States through heightened immigration, transnational criminal threats, and newly energized social movements and governments hostile to the United States. In addition, U.S. rivals such as China, Russia, and Iran will leverage the new dynamics to pursue their interests and expand their strategic position in the hemisphere at the expense of that of the United States. Compounding those challenges, the region's expectations of the Biden administration, both good and bad, will affect each of these actors' behaviors.

In recent weeks, numerous articles have focused on what the region can **expect from a Biden administration**. The present work examines how perceptions and expectations in the region about a Biden presidency could interact with important dynamics in the region to create significant challenges and opportunities for the new administration.

General Trends

The field of complexity teaches us that in complex, highly interdependent systems, such as the political, economic, and social dynamics of Latin America and the Caribbean, the interplay of events, conditions, and perceptions can produce unexpected behaviors. Even before the Covid-19 pandemic, the region was under considerable stress from substantial socioeconomic inequalities, marginalization of populations, increasingly fragmented and violent criminal economies, endemic corruption, and weak government perfor-

1. R. Evan Ellis is Latin America research professor with the U.S. Army War College Strategic Studies Institute. The views expressed herein are strictly his own.

mance and state presence in both remote rural areas and marginalized urban zones—including in services such as education and healthcare, the administration of projects promoting sustainable development, and law enforcement and justice systems. Such deficiencies had produced widespread disillusionment with the region's governments, both **democratic** and **authoritarian**, and unexpectedly powerful social protests such as those in **Ecuador**, **Chile**, and **Colombia** in fall 2019.

The Covid-19 pandemic has placed enormous social, economic, fiscal, and other stresses on the worrisome dynamics of the region. The **unexpectedly severe** and **long-lasting** effects of the pandemic have accentuated the inadequacies of public health systems and governments' ability to respond effectively, expanding existing bases—and creating new ones—for social discontent with governments. In the context of their **limited resources**, capacity to borrow, and institutional effectiveness, these governments' responses to the pandemic have set in motion an economic, health, and security crisis whose effects have only begun to play out.

In Central America and the Caribbean, economic devastation and demands on government resources have significantly worsened by the record 2020 hurricane season, with hurricane Iota, the **thirtieth named storm** and strongest of the season, coming just days after Hurricane Eta, which together **devastated Honduras and Nicaragua** and severely impacted their neighbors.

Measures by Latin American governments to limit the spread of the virus severely affected the **region's economy**. In particular, those working in its large **informal sectors** and **fragile** small- and medium-sized enterprises have found that their own resources, plus the minimal short-term aid from their governments, have been insufficient to endure extended closures and greatly reduced demand from their clients. The full story of the pandemic's effects on the region's **informal workers** and small businesses is unknown, but a significant portion of small businesses that closed due to the crisis officially or unofficially went bankrupt, with their workers and owners disappearing into the economy to seek other means of survival. It is likely that a small but important part of the informal economy expanded into illicit activities to make ends meet.

As a result, the pandemic has arguably nurtured criminality and **empowered illicit groups** in the region while simultaneously hiding those effects, at least temporarily. The desperation of those losing formal or informal jobs means more people are tempted to rob or engage in other criminal activity to make ends meet. As restrictions on public activity are eased and the risk of contagion from going to police stations to report crime lowers, the expanded criminality produced by Covid-19 may become more apparent.

With respect to groups engaged in **illicit activity**, anecdotal evidence suggests that criminal organizations continued to **grow coca**, produce and **move drugs**, and engage in **illegal mining** during this period, even if some of these operations were on a smaller scale than before due to pandemic restrictions. Furthermore, gangs, militias, and other groups reportedly took advantage of the distraction of government security forces during this period to **expand their social influence** in neighborhoods by **enforcing curfews** or **distributing personal protective gear and relief supplies**. The dire human need across the region, an enduring facet of the pandemic, will make vulnerable populations more susceptible to collaborating with criminal groups by reducing alternatives in the licit economy. These populations may increasingly turn to growing coca, heroin poppies, and marijuana; transporting drugs; participating in the individual-level commercial and financial transactions that help the groups launder money; accepting bribes (for those who are government employees); or engaging in other tasks.

Even as poverty, crime, and insecurity increase, Latin American governments are **even more constrained** in their responses than before the pandemic. With decreased revenues from exports and other econom-

ic activities and expanded outlays to pandemic relief programs, governments across the region are now wrestling with **record deficits** and budget cuts in other areas. Such reductions will compound sociopolitical pressures through expanded vulnerability; public cynicism over governments' longstanding inability to perform adequately; and indignation over government responses to the pandemic, including decisions to close the economy and corruption in the distribution of pandemic-related goods and services. As social distancing measures across the region ease—or are no longer taken as seriously—a new wave of social mobilization and protest is already reemerging, from **Chile** to **Peru** to **Brazil** to **Colombia** to **Haiti** and even **Venezuela**, although the specific grievances differ by country. In the context of populations whose **economic hardship** and other suffering has been magnified and distorted by months of social-isolation measures, as with **protests over police brutality** against African Americans in the United States, demonstrations and violence in Latin America have the ability to explode with a scope and ferocity far beyond the issues around which they initially crystalize.

Amid Latin America's deepening discontent, the dynamics of its elections and other significant political events are changing as well. In the early phases of the pandemic, before fatigue with its duration and severity had set in, populations in the region generally rallied around existing leaders or the status quo rather than embrace radical change. Accordingly, elections in **Saint Kitts and Nevis** (June), **Trinidad and Tobago** (August), **Jamaica** (September), and **Saint Vincent and the Grenadines** (November), all produced incumbent victories. Elections without incumbents—or with otherwise unusual circumstances—produced conservative results, including the election of the **pro-business Luis Abinader government** in the Dominican Republic, the return of the **People's Progressive Party (PPP) to power in Guyana**, and the election of law-and-order candidate **Chan Santokhi** in Suriname, which witnessed a surprisingly peaceful transfer of power from former president, strongman, and convicted murderer Dési Bouterse.

More recent elections, however, show gathering discontent with the status quo across the region and public willingness to choose the path of significant change. This includes the October 2020 return of the leftist-populist **Movement toward Socialism (MAS) party to power in Bolivia** by an unexpectedly wide margin (reflecting, among other things, **discontent with the interim Añez government's management of the transition** and the Covid-19 response), the October 2020 referendum in Chile in which **an overwhelming number of voters** agreed to write a new constitution, and the November 2020 **ouster of the United Democratic Party (UDP) government** in Belize in the context of the mutually reinforcing effects of Covid-19, tropical storm Eta, and corruption allegations against Prime Minister Dean Barrow.

Beyond electoral contests, the strategic panorama in Latin America and the Caribbean is changing in other important ways. Politically, the forces of leftist populism are in the ascendancy across the region, with the **return of the MAS** in Bolivia and the **Peronists in Argentina** compounding the continued **survival of the Nicolás Maduro regime** in Venezuela and the **Daniel Ortega regime in Nicaragua**. Leftists could make further advances in the coming months, with **Ecuador holding elections in February 2021** and Peru hoping to hold elections **in April**.

The advance of the left helps position the People's Republic of China (PRC) to significantly expand its economic ties and associated influence in the Americas. While the **United States** and **Europe** continue to wrestle with the economic and other effects of the Covid-19 pandemic, China's expected GDP growth stands at **2.6 percent in 2020** and **8.6 percent in 2021**. It is an increasingly important source of demand for Latin American commodities (such as **soy from Brazil**), investment to provide **needed jobs**, and loans to help Latin American governments such as **Ecuador** and **Argentina** weather pandemic-induced fiscal crises.

When the immediate economic crisis subsides in Latin America, likely in late 2021, U.S. and Europe-based companies may sell off assets in the region in order to shore up their own financial position and seek opportunities in more immediately lucrative markets such as Asia. Accordingly, Chinese state-owned enterprises and other Chinese firms will be well-positioned to significantly increase their ownership of assets in the region in strategically prioritized sectors—including mining, petroleum, agriculture, electricity, and telecommunications. Spanish company Naturgy’s **\$3 billion sale** of its Chilean electricity generation and transmission assets to China’s State Grid International Development in November 2020 may be an early harbinger of what is to come in this regard.

Dynamics across the Region

In the context of such worrisome trends, the election of Joe Biden as president of the United States will have a powerful impact on the calculations of elites on both the left and right across the region, as well as on external actors engaging with it. Some governments that currently have a hostile orientation toward the United States, including the Maduro regime in Venezuela and the Ortega regime in Nicaragua, may moderate their behavior in the short term, hoping to avert U.S. sanctions and other pressures. Similarly, lesser extra-hemispheric rivals of the United States such as Russia and Iran may display or offer temporarily restrained behavior in Latin America in an attempt to secure more room to maneuver from the United States in their own regions, where their core strategic interests lie. China could proceed cautiously in Latin America in an attempt to assess the new Biden administration—or even as part of a broader effort to try to de-escalate tensions with the United States and more effectively neutralize resistance to the PRC’s pursuit of its broader strategic goals around the world.

On the other hand, it is also possible that regional and global actors hostile to the United States may seek to test the limits of the new Biden administration’s less confrontational posture and gauge its ability to function effectively after an **impeded and truncated transition process**. Within the region, this may not only apply to left-wing regimes, but also right-wing governments confronting shifting political dynamics in their own countries or increasing isolation abroad, who may seek to force U.S. displays of support. If they sense a loss of support or an increase in pressure due to the change in tone in Washington, such regimes, including those of Colombia and Brazil, could retaliate by restricting their engagement as regional actors. In both cases, such changes would have significant implications for institutions such as the Organization of American States and for multilateral cooperation on issues such as Venezuela’s political and humanitarian crisis.

MEXICO AND CENTRAL AMERICA

In Mexico, the Biden team will face a range of challenges to U.S. security and prosperity, including **expanding criminal violence**; **cross-border cartel operations** in **fentanyl**, **opioids**, and **cocaine**; questionable economic policies affecting U.S. investors; and the management of trade flows and immigration issues affecting both countries.

President Andrés Manuel López Obrador (AMLO) and his leftist National Regeneration Movement (MORENA) government are likely to cautiously welcome President Biden. AMLO’s desire to maintain **good relations with the outgoing Trump administration**—as well as his sensitivity over U.S. **recognition of his rival, Felipe Calderón**, during Mexico’s own disputed election in 2006—caused him to delay his own recognition of President-elect Biden. Although AMLO had a **cooperative, if at times tense**, relationship with President Trump, he will likely hope for more respectful political discourse from a Biden administration, decreased pressure on the issue of immigration, and continued cooperation with the United States on combating arms trafficking and transnational criminal groups. An **increasingly beleaguered AMLO** may be willing to

curb his rhetoric and restrain from using Mexico's foreign policy apparatus to reinforce the resurgent Latin American left's opposition to the United States. Similarly, he may be willing to temporarily forgo Chinese funding for infrastructure projects such as **Tren Maya**, the **Dos Bocas refinery**, or other projects in sectors such as **petroleum and electricity**—but only if he calculates that doing so is necessary to securing cooperation from Washington on trade and other matters.

However, AMLO may not be able to constrain the impulses within his decentralized MORENA movement if the Biden administration challenges its key organized-labor and hard-left constituencies by **pressuring Mexico over labor practices**. And although increased attention by a Biden administration to charges of abuses by Mexican security forces would **resonate with part of AMLO's political base**, such charges are politically sensitive in Mexico because AMLO is increasingly **relying on the military to fight criminal groups**. Pressure from a Biden administration in this area risks provoking the Mexican left's traditional hard response: rejecting all U.S. interference in Mexico's internal affairs.

The Northern Triangle Central American states (Guatemala, Honduras, and El Salvador) will likely receive the Biden administration with a mixture of great hope and trepidation. Like their Mexican counterparts, they hope that a Biden administration will move away from restrictive immigration policies by eliminating **Asylum Cooperation Agreements**, repealing the (**recently legally blocked**) termination of the **Deferred Action for Childhood Arrivals (DACA)** program, renewing or expanding **Temporary Protected Status (TPS)** for their citizens, or creating another path to regularize the status of their nationals living without official legal authorization in the United States.

Northern Triangle and other Central American leaders similarly hope that a Biden administration will provide new opportunities for the region through investment and trade channels, such as those linked to the Dominican Republic-Central America FTA (**CAFTA-DR**), and the **resurrection of development programs** previously spearheaded by Biden when he was vice president, such as the \$1 billion "**Alliance for Prosperity**" from 2015.

On the other hand, Northern Triangle elites worry the Biden administration will increase U.S. focus on human rights abuses by security forces, including **excessive force** and **extrajudicial killings** by police in El Salvador and **accusations** against the Military Police of Public Order (PMOP) in Honduras. They similarly fear a Biden administration will be more willing to sanction them for **anti-democratic practices** such as Salvadoran president Nayib Bukele's **deployment of security forces** into the National Assembly in February 2020 or former Guatemalan president Jimmy Morales' **termination** of the UN-Sponsored, anti-corruption International Commission Against Impunity in Guatemala (CICIG) in January 2019. Reluctant to believe that the U.S. Department of Justice could be free of politicization, Honduran president Juan Orlando Hernández is likely nervously waiting to see whether Biden's inauguration opens the door for a widely anticipated indictment of him **for accepting bribes** from the Valle smuggling organization.

Across the Northern Triangle, such expectations of a Biden administration could embolden citizens to expand social protests in order to force the ouster of leaders seen as corrupt or antidemocratic—while also making those same leaders feel threatened and isolated, leading them to act in unpredictable ways.

In Nicaragua, as in Venezuela, the Biden administration will face an intransigent regime without popular legitimacy, but one that is relatively secure that a divided opposition, penetrated by the left, will not oust it from power—**even in November 2021 elections**. The Sandinista government of Daniel Ortega and Rosario Murillo will likely hope that through superficial concessions, they can secure some relaxation of U.S. sanctions from an incoming government that they hope wishes to try a different approach, and perhaps show early achievements in its policy toward the region.

In Panama and Costa Rica, the incoming administration will have the opportunity to boost ties with moderate regimes under great **fiscal** and **other pressures**. Hopeful of expanded trade, investment, and development programs, these governments are looking to sustain good relations with Washington through continued cooperation on law enforcement and financial oversight, as well as by maintaining transparency and a level playing field in their commercial engagement with the PRC. Improved cooperation between the United States and the government of Laurentino Cortizo in Panama, which **reined in** some of its more **questionable projects with the PRC**, reflects Panamanians' discomfort with the worsening relationship with the United States under Cortizo's predecessor, Juan Carlos Varela, and a desire to get Panama on the **Financial Action Task Force's** "gray list." However, given the difficulty of the U.S. presidential transition and the more relaxed attitude toward China under the Obama administration (when Biden was vice president), the PRC and Panamanian elites may be tempted to renew their development of questionable projects.

THE CARIBBEAN

In the Caribbean, President Biden will likely find a region that both welcomes the new administration and hopes it will adopt a more "tolerant" posture toward Caribbean countries' deepening, questionable commercial relationships with the PRC, raising concerns of potential corruption, economic dependence, and excessive Chinese influence.

Right-of-center governments such as the Luis Abinader government in the Dominican Republic will look to continue their commercial relationship with Washington within the framework of CAFTA-DR. This entails not only vital trade and investment, but also affirmative steps from a Biden government to permit or even promote the return of U.S. tourists, whose absence due to the pandemic and a **prior rash of tourist deaths in 2019** cost the economy **an estimated \$3.5 billion**. The weight of the Dominican diaspora in the United States will make the Abinader government attentive to potential changes in immigration policy. Although the government is nervous the Biden administration might increase critical attention to the Dominican Republic's **treatment of Haitian immigrants**, it is likely also feeling strong pressure to maintain positive relations with Washington. Yet, as in Panama, it remains under considerable financial strain due to the pandemic, and if Washington's signals regarding China are ambiguous, the Abinader government might not maintain its **prohibition against PRC participation** in infrastructure and other strategic sectors—areas for which **the Chinese government appeared to offer** substantial investment and loans when the prior government **recognized the PRC in May 2018**.

In Haiti, Jovenel Moïse may hope (likely in vain) that a Biden administration will restore some of the attention the **Obama administration** gave to the country when Biden was vice president, especially to the **plight of Haitians in the Dominican Republic**—without pressuring Haiti over the regime's continued **delays in holding elections** or its **creation of a new army in 2018** after **the prior one** was disbanded for human rights violations in 1995.

More left-oriented governments such as that of Keith Rowley in Trinidad and Tobago and Roosevelt Skerrit in Dominica may hope for greater tolerance from Washington over their **continued support for** (and shady economic relationships with) Venezuela and Cuba. Those who **aligned themselves with Washington** over the Venezuelan political crisis and other issues are doubtlessly calculating how shifts in Washington's priorities and approach would affect their incentives to maintain such a (likely uncomfortable) position.

Among the Caribbean states that continue not to recognize the People's Republic of China (Haiti, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines), the **loss of tourism due to** Covid-19 may rekindle the debate over diplomatic relations. Despite **Taiwanese generosity in helping**

them fight the pandemic, they may be drawn to the prospect of **loans and investment** from the PRC, including through **investment-for-citizenship** arrangements **with mainland Chinese businessmen**. As elsewhere in the region, both the PRC and elites who stand to benefit in these Caribbean countries will be tempted to test whether a Biden administration will be less likely than the Trump administration **to respond aggressively** to such changes.

Cuba, like Nicaragua, is likely to initially act with restraint toward the incoming Biden administration, **hoping to persuade it to reverse the Trump administration's sanctions** and other punitive measures and reconstruct the diplomatic and commercial relationships the United States was building with Cuba **during the Obama administration**. When, **as is likely**, such concessions from the Biden administration are not forthcoming, President Miguel Díaz-Canel may mimic Nicaragua in stepping up Cuba's overt opposition to Washington as part of the increasingly confident, resurgent bloc of left-oriented governments in the region.

In Guyana and Suriname, the Biden administration will have a unique opportunity to engage positively with new governments that have each nominally indicated willingness to **build strong relationships with Washington**—but that each have **incentives to behave in ways that earn the administration's ire**. In Guyana, the new PPP government may be tempted to **expand commercial relationships with the PRC** on **major projects** in less-than-transparent-ways that make Washington uncomfortable. In Suriname, the fragile coalition behind the new government of Chan Santokhi might **avoid imprisoning** former president Dési Bouterse or limit cooperation with U.S. and European authorities on such operations as illegal mining and other transactions that touch on **convicted drug trafficker Ronnie Brunswijk** and **other leaders** affiliated with the governing coalition.

SOUTH AMERICA

Despite numerous issues in Mexico, Central America, and the Caribbean, the potential challenges facing the Biden administration are even more worrisome in South America, which bears substantial prospects for anti-U.S. radicalism, violence, and instability.

South America is currently the focal point for the resurgence of leftist forces in the region, which—now more confident in their survival and convinced that the momentum of history is with them—may be inclined to test the Biden administration's willingness and ability to invest time and economic resources and incur the political costs of taking decisive action.

In Venezuela, Nicolás Maduro will be celebrating that it was his rival Donald Trump, **and not him**, pushed out of office **against his will** by popular vote and the enforcement of legal and constitutional frameworks. December elections will **undermine the political position** of his adversary and **President de jure Juan Guaidó**, who has called for a boycott. Now more confident in Maduro's ability to survive, Venezuela's anti-U.S., extra-hemispheric partners such as China, Russia, Iran, and **Turkey** have become **increasingly willing to defy Washington** and **support Venezuela**—as evidenced by **Russian military delegations**, **Iranian tankers providing oil**, **Turkish laundering of Venezuelan gold**, and the **PRC suspending payment on Venezuelan debt** and **covertly taking delivery on** embargoed Venezuelan oil. As with the Cuban government, Maduro is likely to temporarily display restraint **and cordiality** toward the incoming Biden administration in order to **strike a deal** to end U.S. sanctions and win its acceptance of his continuation in power as a *fait accompli*.

In Bolivia, the new MAS government of Luis Arce has already **reestablished relations with Russia and Iran** and **welcomed Evo Morales back** to the country. It will likely take a strong leftist posture in its rhetoric

and positions in multilateral forums, reinforcing and often coordinating with the Peronist government in neighboring Argentina, the Maduro regime in Venezuela, and the Díaz-Canel regime in Cuba. Together, these governments could resurrect the anti-U.S. Bolivarian Alliance for the Peoples of our America (ALBA), the Community of Latin American and Caribbean States (CELAC), and the Union of South American Nations (UNASUR). Such a shift would fundamentally change the dynamics of regional institutions like the Organization of American States (OAS) and **the Lima Group**.

Domestically, MAS will likely move to quickly reconsolidate the party's institutional control, possibly including purges of judicial and military institutions and **prosecution of officials** within the **former interim government** of Jeanine Añez, who dared to bring charges against **Evo Morales**, **Luis Arce**, and other MAS leaders. **As Ecuador did** following the 2006 ascension of power of Rafael Correa, the MAS government—facing an economy that is projected to contract **by 7.9 percent** in 2020 while its fiscal deficit **almost doubles to 10.8 percent**—is likely to **reach out to Beijing** to greatly strengthen their relationship, which already consists of an **array of commercial and other ties**, in return for increased financial and other support.

In this new configuration of leftist forces, the Peronist government of Alberto Fernandez and Cristina de Kirchner in Argentina will also contribute to the reorientation of multilateral diplomacy and political dynamics in the region—complicating not only the aforementioned OAS and the **Lima Group**, but also **the free-market orientation of MERCOSUR**. As with MAS in Bolivia, the Peronists are likely to continue their gambit to control all branches of government, including **uncooperative elements of the judiciary**. In addition, they may **deepen their embrace of the PRC** as a purchaser of Argentine **agricultural products, source of financing**, and investor in **lithium mining, agriculture, petroleum, infrastructure construction, solar and nuclear energy, space, telecommunications, surveillance, banking, and logistics**.

As this leftist bloc looks to bolster its position in the region—whether through foreign policy or ties to other political movements—it may target elections in **economically and fiscally imperiled Ecuador in February 2021** and in **politically fragmented Peru** in April. Indeed, in Peru, protests and the resignations of **multiple interior and other ministers** as well as **national police leadership** have added to uncertainty. In such increasingly delicate circumstances, elections are likely to be overseen by the fragile centrist **transition government of Francisco Sagasti**, whom some on the Peruvian right worry is inexperienced at best, and at worst, **sympathetic to the former left-wing terrorist Túpac Amaru Revolutionary Movement (MRTA)**.

The incoming Biden team may also face increased protests that could paralyze pro-U.S. conservative governments in Chile, Colombia, and Brazil.

In Colombia, Iván Duque's conservative government will look to the incoming Biden administration with concealed apprehension, fearing that the nation's political left will see a less conservative government in Washington as a further loss of Duque's international support and an opportunity to make political advances against him. Duque is simultaneously confronting growing domestic challenges—including the detrimental health and economic effects of the **pandemic** and the economic and security effects of **two million refugees** fleeing an increasingly criminalized and unstable Venezuela. Terrorist and other armed groups may also seize upon the Duque government's isolation, in particular the terrorist **National Liberation Army (ELN)** and a dissident faction of the **Revolutionary Armed Forces of Colombia (FARC-D)**—which have both continued to expand, funded by **increased cocaine production in Colombia, illegal mining**, and the ability to operate, **raise money**, and **take refuge** in Venezuela. The threat also includes a **fragmented array** of criminal groups that rely on similar sources of funding.

The Duque government also worries that the Biden administration will place increased emphasis on allegations of **extrajudicial killings** by Colombian right-wing groups, abuses **by security forces (for which Congress has threatened to restrict or cut off military aid)**, and implementation of the 2016 peace deal—while being less attentive than the Trump administration to the threat from leftist forces in Venezuela, Cuba, and elsewhere in the region.

Likewise, in Brazil the Jair Bolsonaro government **will feel isolated and insecure** as the U.S. leader that Bolsonaro **openly endorsed for reelection** is replaced by one who **drew Bolsonaro's ire for criticizing** the Brazilian president's management of fires in the Amazon. As of early December, Bolsonaro still has not **acknowledged Biden as having won** the presidency. Bolsonaro's sense of international and domestic isolation could lead his government to either turn inward or take combative and unpredictable stances toward the United States.

Bolsonaro's disappointment over Trump's election loss and indignation over Biden's criticisms is likely to be compounded by the increased attention that the new administration could place on other internal Brazilian issues, such as **abuses by state police and other security forces** in combating criminality in the favelas. Brazil's left hopes that the Biden administration will be more receptive to their agenda regarding the environment and police brutality. Together with **losses by Bolsonaro-aligned candidates** in the November 2020 municipal elections, this perception is likely to embolden them, and possible **expanded protests** by leftist groups could provoke counter-demonstrations by Bolsonaro followers and increase polarization in the country.

In Chile, the Sebastián Piñera government will be amicable toward the Biden administration, reflecting the value that the country has traditionally put on its **partnership with the United States**. Like Washington's allies in the Pacific, the Piñera government is also concerned about China's recent signing of the **Regional Cooperative Economic Partnership** (RCEP) in Asia and hopes the United States will offset growing PRC influence in transpacific trade by **re-joining the Trans-Pacific Partnership** (TPP) it had left **in January 2017**.

Despite such hopes and goodwill, Chilean conservatives fear that the Biden administration may be naive about the threat presented from the left, including **violent protests**, terrorism from **Mapuche** Indian groups, and increasing political disorder as the country waits for a constituent assembly to begin **rewriting its constitution** in April 2021. Chile's leftist movements, in turn, hope a Biden administration will display greater sympathy with their efforts to pursue justice against military forces' human rights violations during the Augusto Pinochet dictatorship, curb an **uptick** in current abuses, and rectify inequalities in Chilean society. The perception that they have a more sympathetic ear in Washington would further embolden those protests.

As elsewhere, the PRC may also perceive an opportunity to deepen its already substantial commercial presence and associated influence in Chile. As of the end of 2020, that presence included ownership of much of Chile's copper and potassium nitrate exports, wines, fruits, and other products. China is also playing an increasingly important role in Chile's lithium mining by operating the solar parks in the Atacama desert that run those mines and—since its State Grid International Development spent **\$3.1 billion to acquire the Chilean assets of Naturgy** in November 2020—is now a key supplier to and operator of Chile's energy grid.

Recommendations

Latin America and the Caribbean present the incoming Biden administration with a range of challenges that will demand its attention, but the change in Washington and the array of perceptions and uncertainties in the region about the new direction will also create unique opportunities.

It is important that the incoming administration make good use of the attention the region gives to Biden's inauguration to set the tone using well-planned and disciplined strategic communication regarding U.S. engagement with the region and the broader world—just as Barack Obama did during the [Summit of the Americas](#) in Trinidad and Tobago in April 2009.

Key themes that the region would welcome—and see as credible—from a Biden administration include:

- A U.S. commitment to respecting the policies and decisions taken by its partners in the region to the extent they are consistent with democratic principles, human rights, a transparent and level playing field, and those partners' own constitutions and legal frameworks.
- A commitment to expanded economic and security engagement in (and leadership attention to) the region by leveraging the private sector and promoting free-market principles—while simultaneously working with partners to support sustainable development by combating corruption and otherwise strengthening partner institutions.
- A commitment to funding the work of organizations such as USAID in the region, as well as significantly expanding U.S. “people-to-people” diplomacy to bring students, journalists, and young leaders from Latin America and the Caribbean—not only to support their education and professional development, but also to give them positive opportunities to experience the U.S. system and engage personally with ordinary Americans.

In both its message and policies, the Biden team will be challenged to balance complex and sometimes conflicting imperatives in U.S. domestic politics, in the region, and in the broader world.

- While exploring new opportunities for engagement with the Latin American left, the Biden administration should avoid giving corrupt anti-democratic regimes, such as those of Maduro in Venezuela or Ortega in Nicaragua, the perception that they can hold onto power and reintegrate themselves into the region without restoring democracy and desisting from criminal behavior and human rights abuses.
- In emphasizing U.S. values such as political tolerance and respect for human rights, the Biden team must signal to conservatives in the region that it is also attentive that some leftist groups may abuse freedom of expression and exploit grassroots protest movements to subvert and destabilize these governments.
- The Biden team should also reassure Latin American security forces that, while the United States demands they execute their duties in a fashion consistent with internationally recognized principles of human rights and their own constitutional and legal frameworks, it will not presume guilt on the basis of accusations alone or use this as a reason to fully disengage from combating crime and insecurity in the region.
- With respect to actors such as China, Russia, and Iran, the Biden team should clarify that it will push back on non-transparent, corrupt, or predatory forms of engagement, particularly in sensitive sectors such as telecommunications infrastructure, that threaten the ability of Latin American partners to make private, autonomous decisions about foreign policy. It is important for the administration to clarify that the United States respects transparent commercial engagement on a level playing field that follows rule of law—but will strongly resist activities that endanger the wellbeing, institutional health, and autonomy of the region and thereby endanger the United States. Washing-

ton should reassure that it will not apply such principles in an authoritarian fashion but will work to educate the region about the risks, provide commercially credible alternatives consistent with the principles it advocates, and strengthen the region's institutions so that it can commercially engage with all actors, including the PRC.

U.S. security and prosperity are intimately tied to Latin America through bonds of commerce, geography, and family. The region, where the Covid-19 pandemic has driven conditions to the breaking point, will present the incoming Biden administration with immediate, acute challenges. Understanding the region's hopes and fears about the incoming administration—and responding effectively to its challenges with a spirit of generosity, humility, and partnership—will give the administration an unprecedented opportunity to build an enduring, mutually beneficial partnership in the region we all share. ■

Dr. Evan Ellis is Latin America research professor with the U.S. Army War College and a senior non-resident associate with the Center for Strategic and International Studies in Washington, D.C.

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