Look inside the region for the cure to homegrown problems

By Jerry Traun

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The United States does not pay enough attention to Latin America. From the beginning of my graduate studies at Columbia University more than three decades ago through the present time, this is the one refrain I have heard most often after the issue of hemispheric relations comes up. Contrary to popular belief, however, this lament is not always unmerited.

For more than four decades, under Democratic and Republican administrations alike, a steady flow of billions of dollars of U.S. assistance (bilateral and multilateral), private investment, NICID resources and foreign直接 depictions to Latin America and the Caribbean have clearly demonstrated significant attention to the region.

It’s time to ditch political correctness and face the reality. The Western Hemisphere’s problems exist not because the United States does not pay enough attention to Latin America and the Caribbean, but because the region does not pay enough attention to itself and its own problems. Fifty percent of all hemispheric aid must be spent on pharmaceuticals and medical supplies, 50 percent of which are homegrown.

If there is one factor that largely explains political and economic success and failure in Latin American and Caribbean nations — not only in recent times but since independence nearly 200 years ago — it is leadership.

And while the United States has a moral duty to influence elections and backing friendly regimes (particularly in Central America), the secondarily, those who have pursued their own ends at the hands of Latin Americans, from the 1950s onward, have undermined the prospects for power by their own people — Argentina, Mexico, Brazil, Chile and even the most fortunate.

Good leadership within the region is more urgent than ever. The region will continue to exhibit impressive growth rates, deteriorating living standards and a continuing decline in competitiveness and investment attraction and interest both in the United States and in Europe if it does not immediately take at least a dozen steps to put its economic house in order:

- Economic liberalization and "second generation" reforms. Strengthen macroeconomic policies, including public-sector financial management, and accelerate non-economic measures that redirect goods and beneficiaries in the areas of education, healthcare, housing, social security and infrastructure.

- Reforms, radically overhauling business regulations. The World Bank’s Doing Business in 2004 ranked business regulations in Latin America. Latin America’s performance is very poor, second only to Africa’s. Bankruptcy proceedings can take 9 to 12 years, and bailiffs incorporate into the employment structure, including those on hiring and firing practices.

- Financial. Strengthen and accelerate reform to expand credit, labor and guarantees to retail customers and small businesses, while creating wider capital-market opportunities for debt and equity issues.

While the United States can support, guide, encourage and applaud reform efforts, it cannot substitute the self-reliance and responsibility that the market’s public and private sectors and citizens in general must embrace and manifest themselves. Our neighbors to the south must first look inward, not outward, if they are to achieve a better life for their citizens.

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