



Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

9 November 1987

LATIN AMERICA: THE NOVEMBER
PRESIDENTIAL SUMMIT
Steppingstone to Latin Unity?

Summary

Recent moves by the so-called Group of Eight--the member nations of the Contadora and Support groups¹--are raising the specter that an exclusively Latin American body will form with the potential to be a counterweight to US influence in the region. Previous attempts to create such an organization have failed, but this group's approach seems to hold more promise than earlier efforts. The group's latest initiative, a summit in late November, is the first such gathering in 20 years. The major focus is likely to be on foreign debt and regional economic integration. Even if, as we expect, no major substantive agreements are reached,

¹ The eight nations include Colombia, Mexico, Panama, and Venezuela from the Contadora Group and Argentina, Brazil, Peru, and Uruguay from the Support Group. These countries account for 80 percent of Latin America's population and over 90 percent of GDP.



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This memorandum was prepared by [redacted] the Office of African and Latin American Analysis, with contributions from other analysts in the Office of African and Latin American Analysis, the Office of Leadership Analysis, and the Office of Global Issues. Information available as of 20 October 1987 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Middle American-Caribbean Division [redacted]

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decisions to set up a permanent staff and schedule regular summits are possible and would represent significant advances. The Central American peace plan may be discussed, and if it is raised, Mexico hopes to resurface the issue of Latin economic assistance to Central America in general and Nicaragua in particular. At the same time, the Group of Eight will face some obstacles to its continued consolidation--including potential disagreements over expanding its membership and rivalry between major countries. Over the long term, however, continued consolidation of the Group of Eight could help it become a platform for some Latin American nations to criticize US policies and serve as a lightning rod to focus discontent with Washington.

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Efforts to promote Latin American unity have occurred with some regularity, primarily reflecting the desire of Latin leaders to develop a counterweight to US influence in the region. Although various formal organizations have been created to promote this objective, such as the Latin American Parliament and the Latin American Economic System, none has generated the solidarity and influence sought by some Latin leaders. The Group of Eight, while still in its early stages, is the latest attempt at this type of organization. This paper examines the group's formation and objectives, prospects for further development, and the implications of its emergence on the Latin scene for the United States.

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Cautious Beginnings

The Group of Eight is an outgrowth of the search for regional peace in Central America. The Contadora Group organized itself in 1983 to mediate conflicts in Central America, and it was followed two years later by the formation of a support group to gather regional diplomatic support for the group's efforts. When foreign ministers from the Contadora and support group nations planned their December 1986 meeting, their primary aim was to revive the stalled Central American peace process. Also placed on the agenda, but receiving less pre-meeting attention, was a discussion of how to expand the group's focus beyond the Central American issue, according to press reports. Following two days of talks in Brazil, the eight announced agreement on two proposals:

--The formation of a ministerial delegation--including the secretaries general of the UN and OAS--to visit Central America and renew peace efforts.

--The formalization of the Group of Eight, sometimes also called the Rio Group, to consider broader issues of common regional interest.

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As formulated in Brazil, the Group of Eight's goals were modest, but its members hinted at more ambitious plans for the organization. The original declaration called for three meetings per year on topics ranging from debt to regional security. After the meeting, according to press reports, spokesmen for the group noted that representatives of the eight governments had been conferring regularly, and the announcements from Brazil had merely formalized this practice. A statement by Argentine Foreign Minister Dante Caputo suggested, however, that the Group of Eight was less the extension of an existing informal process and more the birth of a new arrangement:

We have tried to avoid inflated declarations in order to go step by step toward real integration. In the past Latin America has had a global approach, trying to do everything in one sweep, but this has brought many difficulties. Now our objectives are ambitious, but the instruments realistic.

[redacted]

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At the same time, member nations appeared to be concerned about reactions from the United States. Press reports indicate that spokesmen for the group stressed they were not attempting to create an "OAS without the US." To back up these claims, the Group of Eight declared that no permanent staff would be set up to support the loosely structured organization. Furthermore, one press report noted that membership would be opened, at some later date, to other countries wishing to join. All members of the Group of Eight are nominal civilian democracies. The Latin American democracies so far excluded from the group--other than those in Central America--are Ecuador, Bolivia and the Dominican Republic.

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Increasing the Profile

Nonetheless, actions by the Group of Eight since December 1986 suggest it has been slowly laying the foundation for an organization with a larger regional role. Movement [redacted] have highlighted this transition:

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--After holding two additional meetings² at the ministerial level, the member nations have announced a Group of Eight summit for 27 and 28 November 1987 in Mexico.

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[redacted]

--The Group of Eight is already beginning to act as a bloc in its relations with other international groups, like the EC.

[redacted]

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² The Group of Eight also met in Argentina during April and in Brazil during August. [redacted]

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The planned November summit will be the most noteworthy advance for the Group of Eight in that it will increase both the profile and prestige of the organization. The gathering will mark the first time since 1967³ that the leaders of Latin America's most prominent nations have held such a meeting. Adding to the momentousness of the meeting--at least from the participants' perspective--will be the absence of the United States. According to press reports, Peruvian Foreign Minister Wagner described the summit as "our chance to break the tradition of only meeting when called by the US." 

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3 The last similar meeting, which included the United States, occurred in Uruguay and was called by President Lyndon Johnson.



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The Group of Eight's potential to become a focal point for Latin issues is already attracting some attention from key international players. Japanese press reports in September state that Tokyo has met with representatives of the group and believes it has a role to play in solving the Latin American debt problem and forging regional peace. In addition, representatives from the group met with the European Community (EC) in New York on 23 September.

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[Redacted]

Individual Agendas, Converging Motives

According to press reports, the eight countries believe they need to look beyond the Central American peace issue, which initially brought them together, and consider other regional topics.

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[Redacted] suggests a general consensus that economic integration and debt are two key concerns. Some countries also are interested in pursuing regional cooperation in fighting narcotics, terrorism, and arms smuggling. The Central America peace plan probably will not be on the agenda, but may be discussed.

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[Redacted]

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Given the group's embryonic stage of development, agreement at the November summit on specific substantive issues will probably not be necessary. In our judgment, each member of the group wants to be a major regional actor, to have the opportunity to validate its Third World credentials and to assert publicly--to a greater or lesser extent--its autonomy from Washington. For that reason, a prime objective of the November summit probably will simply be the further institutionalization of the group. An agreement to continue such presidential summits and to establish a permanent staff would be a major organizational success of the November meeting. According to press reports, the Group of Eight already intends tentatively to hold another summit in Uruguay next year.

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Devising strategies to make sure that the group has the potential to meet individual goals may convince members that it is in their interests to pursue the development of the organization as a whole. In our judgment each country has at least one issue that they would probably like to see addressed by the organization:

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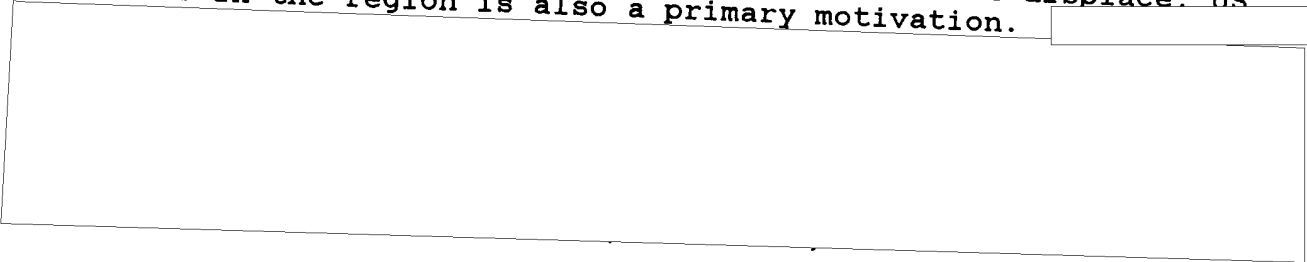
- Peruvian President Garcia is trying to boost his prospects for the chairmanship and host role of the 1989 Nonaligned Summit.
- Brazil is seeking support for the Latin American seat in the United Nations Security Council next year.
- Colombian President Barco is seeking the resolution of a sticky border dispute with Venezuela.
- Argentine President Alfonsin probably hopes to gain domestic political mileage with the left and undercut domestic opposition attempts to seize the initiative on foreign policy.
- Venezuela is seeking a more coordinated Latin position on debt.
- Panama would like to gain political support to fend off perceived US efforts to topple General Noriega and to guarantee that the United States will fulfill its obligations regarding the Panama Canal treaties.
- Mexican President de la Madrid is entering the last year of his term and would like to leave some foreign policy accomplishments as part of his legacy.
- Uruguay is seeking any mechanism that might promote trade.

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For a few nations, most notably Mexico and Peru, establishing a Latin organization that might help balance, if not displace, US influence in the region is also a primary motivation.

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So far, however, Mexico and Peru have carefully avoided characterizing the Group of Eight as anti-US,

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They are probably aware that attempts to do so would embarrass most other members and promote squabbling that could jeopardize the association, as well as risk a negative US response.

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At least for now, most members appear comfortable considering it more a united lobby for their common interests than one designed to challenge Washington's regional interests directly.

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Prospects

The Group of Eight will face numerous obstacles to continued consolidation, in our opinion, despite its care not to antagonize the United States and unanimity on some regional issues. The issue of expanding the group's membership, for example, probably will create friction from within as well as outside the organization.

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countries not now a part of the Group of Eight are complaining about their exclusion and may find ways to work against the organization. Internal strains also could develop if some countries attempt to use the group to promote controversial proposals, such as forming a regional debt cartel, without regard for other members' positions.

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In our view, the November summit is unlikely to produce major substantive agreements, although such agreements are not yet necessary for the continued organizational development of the Group of Eight. there may not be enough time to work out substantive details on any of the topics. As a result, the meeting is likely to concentrate on general principles rather than specific initiatives. Nonetheless, the meeting of the Presidents almost certainly will result in a good deal of publicity and rhetoric. If major disagreements are avoided, decisions to form a permanent staff and schedule regular summits are well within the summit's grasp, in our judgment.

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Implications for the United States

With a successful November summit, the Group of Eight would be one step closer to establishing a Latin American organization capable of affecting the agenda in other regional and international forums. Regardless of how it is now characterized, the Group of Eight appears to have the potential as an organization over which the United States lacks any direct control and which could complicate US policy in the region. Additional steps towards becoming a formal organization could allow the Group of Eight to become a platform for some Latin American nations to criticize US policies and serve as a lightning rod to focus discontent with Washington. In particular, a permanent staff, an institutional structure, and regularly scheduled summits would put it in a better position than other more informal organizations like the Cartagena Group--composed of Latin America's major debtors--to challenge the US on economic issues, such as debt and trade.

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APPENDIX: GROUP OF EIGHT PRESIDENTS

Virgilio BARCO Vargas

COLOMBIA

Age 66...political moderate with strong US ties...gives high priority to programs to eliminate poverty, undercut support for insurgents, narcotics traffickers...has called for regional antipoverty effort...played key role in liberalizing Andean Pact foreign investment rules but generally less active than predecessor in regional economic groups...meticulous, hard working...reputation as strong, behind-the-scenes administrator...former senator, minister, diplomat...Ambassador to US 1977-81...educated at MIT and Boston University. [redacted]

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Miguel DE LA MADRID Hurtado

MEXICO

Age 52...President since December 1982...entering lameduck 13 months of office...by tradition will share some power with ruling party presidential nominee Carlos Salinas, who is almost certain to be elected...preoccupation with domestic economic issues has limited foreign policy initiatives...has continued Mexico's established policy of nonintervention and support for revolutionary movements...strongly supported Mexico's efforts in Contadora Group...career economic technocrat...Harvard graduate education. [redacted]

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Eric Arturo DEVALLE Henriquez

PANAMA

Age 50...President since September 1985...subservient to Panamanian Defense Forces Commander Manuel Noriega--has publicly defended him in the face of recent Panamanian and US criticism...has considered resigning; is frustrated by current stalemate between government and opposition forces and his inability to act without the concurrence of Noriega [redacted] domestic position has crippled ability to take foreign policy initiatives; has not pushed Panama's role in the Contadora Group...rose to position from first vice presidency after Noriega forced his predecessor to resign...studied agriculture at Louisiana State University...wealthy businessman. [redacted]

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Jaime LUSINCHI

VENEZUELA

Age 63...President since February 1984...entering lameduck period prior to December 1988 presidential elections...generally popular despite public discontent with country's poor economic performance...on defensive because of uncertain world market for oil--country's main export--labor discontent, and pre-election political measures...has adopted more expansionary economic measures...has maintained Venezuela's generally pro-Western stance but avoids domestic controversy by shunning open identification with the US on some regional issues...moderate within populist Democratic Action party.

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Raul Ricardo ALFONSIN

ARGENTINA

Age 60...President since December 1983...in last two years of term...personal popularity high despite September electoral setback to his Radical Civic Union party...gives high priority to consolidating democracy, rationalizing economy...likely to continue moderate debt policies despite declining economy, electoral losses...concerned about military mutinies, nagging civilian-military tensions...enjoys role of international statesman, prominent spokesman for nuclear disarmament...advocate of Latin American integration...lawyer by training.

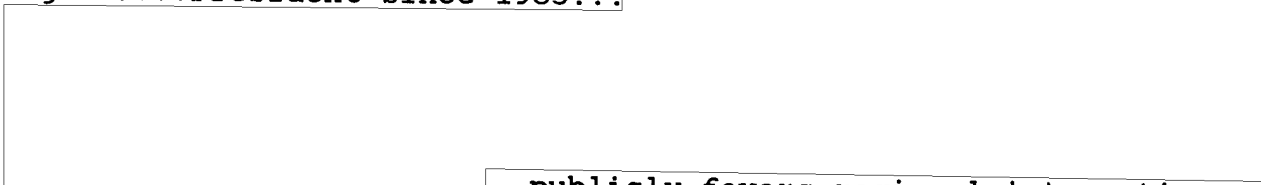
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Jose SARNEY Costa

BRAZIL

Age 57...President since 1985...



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...publicly favors regional integration, but probably will back more limited objectives; most likely will discuss cooperation on external debt...former congressman, governor...elected Vice President in 1985, assumed presidency on death of President-elect.

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Alan GARCIA Perez

PERU

Age 38 . . . President since July 1985 . . . self-confident populist politician . . . highly ambitious, sees himself as Third World leader, actively pursuing chairmanship of Nonaligned Movement . . . vocal supporter of regional integration, cooperation, seeking expanded leadership role in South America, . . . attention recently distracted from regional issues by growing domestic economic, insurgency problems . . . engages in inflammatory rhetoric on debt issue, US policy in Central America.

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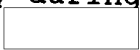


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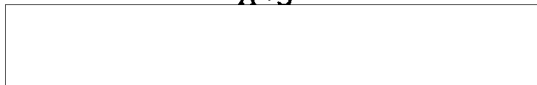
Julio Maria SANGUINETTI

URUGUAY

Age 51...President since March 1985...effective leader with consensual governing style...has gained opposition party, military cooperation...deeply interested in consolidation of democracy, economic, social development...supports economic integration initiatives with Argentina and Brazil...has promoted Uruguay as regional leader...career politician, journalist...former Minister of Education and Culture (1972)...played key role in transition to democracy during twelve-year military career...lawyer by training. 

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